

The NATIONAL UNDERWRITER

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INSURANCE COMPANY, DURHAM, N. C. INCORPORATED 1923 WESTCHESTER FIRE INSURANCE COMPANY ORGANIZED 1837

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THE NORTH RIVER INSURANCE COMPANY ORGANIZED 1822 WESTERN ASSURANCE COMPANY, UNITED STATES BRANCH INCORPORATED 1851 SOUTHERN FIRE

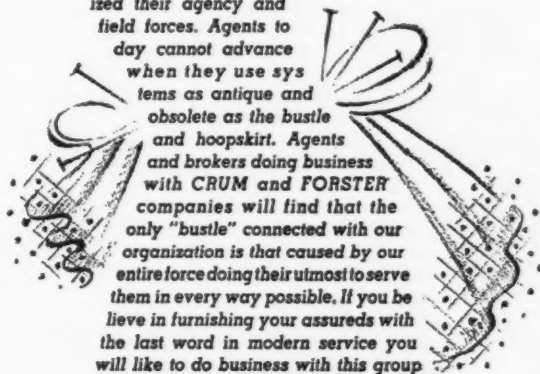
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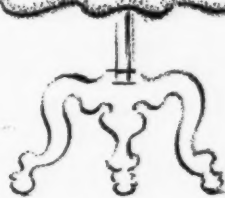


Fashions
change in insurance
as they do in all other
branches of business. Mod-
ern companies to keep step
with changing conditions
have completely reorgan-
ized their agency and
field forces. Agents to-
day cannot advance

when they use sys-
tems as antique and
obsolete as the bustle
and hoopskirt. Agents
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ILLINOIS AGENTS CONVENTION

THURSDAY, NOVEMBER 24, 1938

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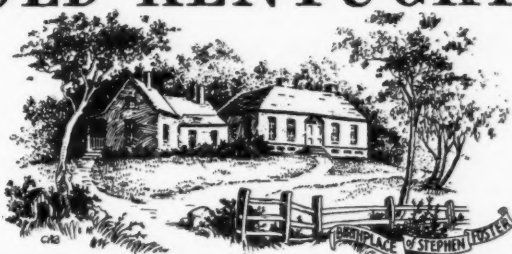
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COMPANIES

F A M O U S A M E R I C A N H O M E S



My OLD KENTUCKY Home



On the day that Thomas Jefferson and John Adams died, July 4th, 1826, Stephen Collins Foster was born in Pittsburgh, Pennsylvania. He spent most of his life in the vicinity of his birthplace. From early childhood Stephen had considerable musical ability. At the age of two years he could pick out tunes on his sister's guitar and when he was but seven he played the flageolet and flute. Later he played well upon the piano, seriously studying Beethoven and Mozart. His homely melodies were the outcome of thorough study of harmony.

In 1852 Stephen's brother, Dunning Foster, invited him and a party of friends to take the trip from Pittsburgh to New Orleans on his steamboat the "James Millingar." It was while journeying down the Ohio and Mississippi that the song writer observed many of the customs and incidents of Southern life. Among his best loved songs were: "My Old Kentucky Home, Good Night" (the full title of the song), "Oh Susanna," "Nellie Was a Lady," "Gwine

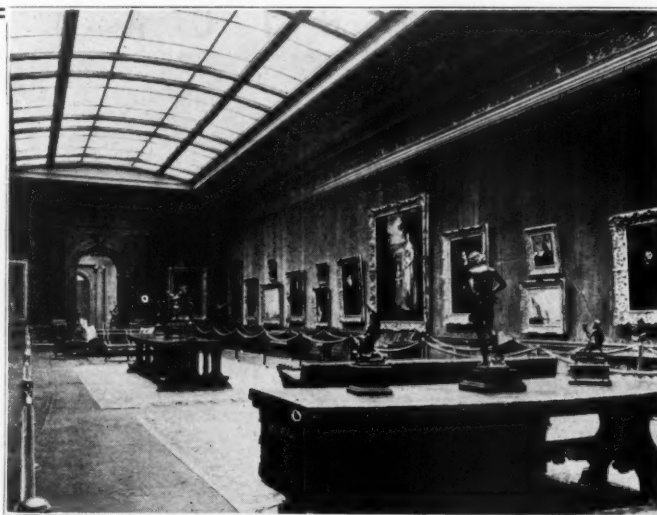
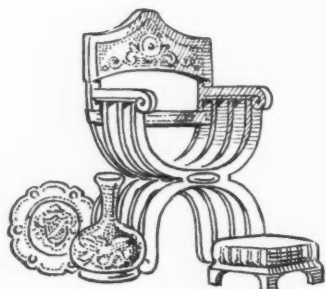
to Run All Night," "Jeanie with the Light Brown Hair," "Old Folks at Home" (Swanee River), "Massa's in de Cold Ground," "Old Dog Tray," and his last negro ditty "Old Black Joe," composed in 1861.

Foster wrote in all about one hundred and fifty songs. It is thought by some that the stately mansion of Foster's mother's family at Bardstown, Kentucky, known as "Federal Hill," inspired him to write "My Old Kentucky Home, Good Night." In 1922 a group of Kentuckians purchased the place through subscription as a gift to the State of Kentucky, which provides for its upkeep. It is ironic that "America's Troubadour," whose songs have done so much for love for home, should have died a penniless wanderer in New York.

The above is a reproduction of an original painting by Eastman Johnson inspired by the song which named it, "The Old Kentucky Home."

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CAPITAL \$1,000,000.00

Palmer Insists on Reduction in Cost of Getting Business

Illinois Insurance Director Declares Commissions Are Generally Too High

The commission situation is the last important problem remaining before the insurance business in Illinois and the department of insurance will now expend every effort to solve it, with the emphasis on reductions and abolition of graded commissions. This was the message to the Illinois Association of Insurance Agents and to the insurance world in general delivered by Ernest Palmer, director of insurance, at the banquet of the association in Peoria.

No person apparently had any advance inkling of the tenor of Mr. Palmer's remarks and consequently his speech, coming in the midst of banquet festivities, could, without straining the word, be described as a thunderbolt. The speech was not prepared in advance, as was evidenced by the fact that he brought in a stenographer to take it down. Coming at a time when his ruling on insurance on financed automobiles had just been released and was commanding considerable newspaper space, Mr. Palmer's blast on commissions took every one by surprise.

Reform or State Will

It is not fair to the people of Illinois, or of any state, maintained Mr. Palmer, to use over 50 cents of every premium dollar for the expense of doing business. The automobile finance business, he declared, is merely one flagrant example of this. The condition of insurance companies in Illinois has now been cleaned up and is on a satisfactory basis and agency qualifications have been established, so the acquisition cost is the only serious problem ahead of the department. Acquisition cost, maintained Mr. Palmer, must be reduced and if the insurance interests will not do it, the insurance department is prepared to do it for them.

Mr. Palmer accused companies and agents of a growing tendency to lay all their problems on the doorstep of the insurance department, maintaining they cannot solve them unaided because of competition. He warned his audience that the insurance business is thus rushing itself toward more strict state control and in the direction of federal control. The insurance business is strongly regulated now, he declared, but only because it could not or would not regulate itself.

Answering the unasked question of the authority of his department over commissions, Mr. Palmer maintained that an insurance rate is made up of losses and expenses. Losses, of course,

(CONTINUED ON PAGE 14)

Agents' Association New Committee Heads Named

John J. Roe, Jr., of Patchogue, N. Y.; P. D. Bowen, of Baltimore, L. W. Garlich, St. Joseph, Mo., and L. P. McCord, of Jacksonville, Fla., are the new chairmen included in the standing and special committees for 1938-39, as announced by President W. H. Menn of the National Association of Insurance Agents.

Mr. Roe is chairman of the accident prevention committee, succeeding David A. North of New Haven, Conn., who was appointed a member of the executive committee. Mr. Roe is former president of the New York state association. He will work in conjunction with the National Conservation Bureau. He is a partner of his father in the agency of John J. Roe & Son, established in 1898.

Bowen Legislative Chairman

Mr. Bowen becomes chairman of the legislative committee. His proximity to Washington makes his choice highly desirable, as the activities of the legislative committee are cleared through Assistant Counsel W. T. Reed, Jr., in charge of the National association's Washington office. Two members of the agency firm of which Mr. Bowen is president, Poor, Bowen, Bartlett & Kennedy, are members of the United States House of Representatives, Ambrose Kennedy having been reelected from the fourth Maryland district, and Thomas D'Alesandro elected from the third district.

Mr. McCord is a fitting choice for the chairmanship of the committee on publicity and education. He was the founder of the Florida short course in insurance, which has been conducted for the past two summers, and will be repeated indefinitely. Other states are inaugurating similar courses, it having been announced only last week that the Georgia association will hold one at the University of Georgia at Athens next summer. Mr. McCord succeeds N. B. McCulloch of Lancaster, Pa., who found it impossible to continue in the work.

Mr. Garlich is one of the active leaders in his state, having been president of the Missouri association. He becomes chairman of the fire prevention committee, succeeding A. B. White of Keene, N. H. Mr. Garlich's firm is Fred A. H. & Lorren W. Garlich.

Other Committee Heads

Of the other standing committees, C. S. Stults of Hightstown, N. J., a member of the executive committee, continues as chairman of the finance committee, the other members being E. J. Cole of Fall River, Mass., and A. B. Dunbar of Omaha.

As has previously been announced, J. M. Crosby, Jr., of Grand Rapids, Mich., remains chairman of the membership committee.

Only three special committees have been appointed, rural agents, standard fire policy revision and surety. R. W. Forshay of Anita, Iowa, member of the executive committee, will continue his work as chairman of the rural agents committee, and there is no change in his regional chairmen: H. C. Arnall,

Newnan, Ga.; Alex Case, Marion, Kan.; F. J. Marshall, East Aurora, N. Y., and H. J. Thielen, Sacramento, Calif.

The standard fire policy revision committee retains its last year's membership: L. M. Drake, Chicago, chairman; H. J. Haas, Atlanta, and A. J. Smith, New York City.

W. H. Stewart of Chicago, who has made a splendid record as chairman of the surety committee, remains in that position, with H. W. McGee, Los Angeles, and John L. Tiernon, Buffalo, as its members. Mr. Tiernon served last year, and Mr. McGee replaces J. W. Henry of Pittsburgh.

Pink Surveys Examination Issue

NEW YORK—A plea for an impartial and harmonious approach to a permanent solution of the company examination problem is offered by Superintendent Pink of New York in a pamphlet shortly to be released. Mr. Pink said he desires to have it in the hands of commissioners prior to the convention in Des Moines the week of Dec. 5. He expressed the belief that the conclusions, which are drawn from a study of views expressed by other commissioners as well as the historical facts disclosed by the record, might be of value to the association in any further consideration of the subject. He voices the hope that the survey might be of use to commissioners now in office and to new officials.

The study traces the history of examinations from the beginning of insurance supervision. There have been disputes within the National Association of Insurance Commissioners over the subject but the spirit and goal has always been to deal with examinations in a manner that would serve the best interest of the public, the business and insurance supervision, the study argues.

A chapter is devoted to comparative costs of examinations as conducted by state departments and by the National association at St. Paul in 1936 and enlarged upon at Hot Springs, Ark., the following year.

Mr. Pink advocates full-time staffs of examiners in the various departments, and standard examination procedure. He suggests study of the advisability of having a small corps of highly-trained examiners, under the supervision of the examinations committee of the association, whose duty it would be to make supplementary examinations wherever the examination committee desired.

Pritchard North Star Vice-president

NEW YORK—Charles H. Pritchard who has been a vice-president of General Reinsurance since last year has been elected to the same office with the associated North Star as well. Starting with Travelers in 1916, he was later successively connected with Independence Indemnity and with Eagle Indemnity. He joined General Reinsurance in 1930.

Whisky Once Again Is Big Fire Insurance Topic

Scrutinize Market Value Clauses Following Glen- more Owensboro Loss

LOUISVILLE — Following the preliminary work of getting the fire loss of the Glenmore Distilleries, Owensboro, Ky., into shape, following the fire of Nov. 19, it would appear as if insured loss on whisky will probably run from \$1,300,000 to \$1,500,000, plus approximately \$75,000 of insured loss on machinery, while uninsured loss of destroyed or damaged buildings will probably total \$300,000 to \$400,000 more.

Machinery in the free bottling house appears to be a total loss.

Recovery of some 500 to 700 cases of whisky from the wreckage will be the chief salvage. Only 17 barrels of whisky were actually lost in warehouse P, but total number of barrels lost in the fire will run between 31,000 and 32,000 barrels.

Liberty Fire of Louisville is credited with having written the business well, and all policies, reports, etc., have been found to be in excellent order. Also the distillery company's records have been kept up and in excellent shape, which leaves the matter of adjustment of the loss largely a question of merely agreeing on values.

Burlingame & Hazard of New York are adjusting for U. S. Fire; Ed Purcell of Hartford Fire, is representing that company, and Western Adjustment has the rest, amounting to 80 percent of the coverage.

The fire emphasized the importance of drainage and drainage ditches large and numerous enough to carry away both water used in fighting fires, and also burning whisky, as a matter of protection to other buildings in the area. Small ditches clog from falling debris, embers, etc., and will back up burning whisky.

RESISTANCE IS STRONGER

The Owensboro fire has again focused closely the attention of the business on the underwriting of whisky lines. This is the third whisky fire costing the insurers from \$1,500,000-\$2,500,000 or more since repeal of prohibition. It seems quite certain that over all no money has been made in the insuring of whisky business.

The companies have not felt free to apply their underwriting judgment uncompromisingly in handling the liquor business. Practically all of this business is controlled by potent brokers, who have made the companies' attitude on liquor lines something of a test of loyalty. However, with a succession of serious fires, the companies have gained a trading advantage in their dealings with brokers.

(CONTINUED ON PAGE 17)

Thomas Addresses Examiners Group

W. U. A. Manager Chief
Speaker at 25th Anniversary
"Managers Night"

Significant figures showing the effect of depression on fire insurance business in the central west and the part played by fire rate reductions, were given by C. F. Thomas, manager Western Underwriters Association, at the 25th anniversary "managers' night" dinner of the Association of Fire Insurance Examiners of Chicago.

At the depth of the depression in 1933, he said, the volume of business, not including farm premiums, for all stock companies in 14 mid-western states shrank 32.96 percent from the peak of greatest prosperity in 1930. This shrinkage should not be wholly attributed, he said, to a falling off in business activity as the average fire rate had declined from .89 in 1930 to .72 in 1933, or approximately 19 percent. He ascribed less than 30 percent as due to depression.

Makes Comparisons

Liabilities assumed in middle western territory on agency business in 1937 were 1.45 percent less than liabilities assumed in 1930, he said. Average fire rate decreased 26.96 percent in 1937 from the 1930 average rate.

Agency premiums, as distinguished from pure fire premiums, and excepting only farm business and hail on growing crops, for all stock companies in 14 mid-western states for 1937 were only 9.73 percent below the high point of premium income in 1930, he said.

Mr. Thomas emphasized permanency of the fire business, saying that so long as there are property values there will be imperative demand for fire insurance. However, it must be anticipated that periodically there will occur cycles of shrinking values when volume of premiums will decrease. He said no one ever has or ever will bring forth a synthetic substitute for sound indemnity as furnished by the great stock fire insurance institution.

Lauds Examiners Clan

There is no position in the fire insurance business more important than that occupied by the examiner, Mr. Thomas said. Many improvements and advances have come into the business in recent years, he said; modernized coverages and technique, but no substitute has been found for the examiner. No mechanical meter has been designed to replace his measuring judgment, and no automatic tabulator to produce his conclusions.

"The examiner makes a daily and irrevocable record of his judgment which is put away in a live file," Mr. Thomas said. "On occasions and under conditions which he cannot foresee, his judgment will be put under severe scrutiny and careful analysis. These tests he must survive, for no shield of alibi, no mitigation of circumstance or mercy of chance omission can spring from the record he has himself made."

Good Source of Information

"The examiner must know about his business all that the manager and assistant manager know and must know it just a little better than they do. You would be surprised to know how frequently I go to an examiner to get real and practical information so I can make a big talk to the managers. I have the feeling that they sometimes play the same game on me."

"In the conduct of our business there is no station more permanent than that occupied by the examiner. The funda-

(CONTINUED ON PAGE 15)

C. F. Sturhahn Ends 35 Years in Harness of the Russia

Carl F. Sturhahn this week is completing 35 years in the service of Russia, of which he is president. He is one



CARL F. STURHAHN

of the best known and best liked reinsurance men of this country. His reputation is world-wide. His work has required that he form friendships with executives of direct writing companies, with the result that he has developed one of the most extensive and cordial relationships with fire insurance executives that exists.

Mr. Sturhahn was appointed United States manager of Russia of St. Petersburg, Russia, Nov. 22, 1903. Early in his career under Mr. Sturhahn's management, Russia was given the test of

two conflagrations, that of Baltimore early in 1904 and that of San Francisco in 1906. In the latter conflagration Russia paid its treaty companies more than \$1,500,000.

In 1911 Mr. Sturhahn moved the head office of Russia from New York to Hartford and established headquarters in the building of National Fire. He had a keen sense of movement of real estate values in Hartford and purchased land at the corner of Broad street and Farmington avenue where he built the distinctive head office of Russia. This proved to be the initial step in a big building development in that neighborhood.

Brilliant Insurance Reception

In 1914 the building was formally opened with a reception and banquet at the Farmington Country Club. About 150 leading insurance executives of that day from throughout the country attended. A special car was attached to the 20th Century Limited to bring the western delegation as far as Springfield, Mass.

In 1915 the Connecticut legislature granted the charter incorporating Russia of America. In 1918 Mr. Sturhahn organized Russia of America with himself as president.

Among the first directors were G. B. Edwards, then president of National Liberty; J. B. Branch, president Providence Washington; H. A. Smith, president National Fire; Alfred F. James, president Northwestern National; H. E. Rees, vice-president Aetna Fire, and B. N. Carvalho, then U. S. secretary of Russia of Petrograd.

In 1919, Russia of America took over all the assets and liabilities of the U. S. branch of the Russian company.

During the 35 years that Russia has been under Mr. Sturhahn's management the company has written net premiums of \$252,799,078.

The insurance men who are now directors of Russia are: John H. Awtry, president of First Reinsurance, a casualty company that is a member of the Russia group; B. N. Carvalho, brother-

Cotton Endorsement Is Up for Disposal

Final Solution of Problem
Anticipated at Fall Meeting
of S. E. U. A.

ATLANTA—Pre-session gossip indicates that the semi-annual meeting of the Southeastern Underwriters Association at Pinehurst, N. C., Nov. 30, will see a final solution of the problem that has marked the ups and downs of the famous "special cotton endorsement No. 7," promulgated and then withdrawn. It is believed that some sort of compromise will be effected by which the needs and purposes of the Commodity Credit Corporation can be met.

It will be recalled that the mandatory cotton endorsement, which was issued earlier in the year, was to have been attached to policies covering cotton for which warehouse receipts have been issued. In September, the endorsement was withdrawn and since that time there has been considerable speculation as to what the final outcome of the question might be. It is the general feeling that some sort of form will have to be agreed upon to meet the C.C.C.'s insurance requirements.

It is expected that there will be a rather heavy agenda at the Pinehurst meeting. The executive committee will meet Nov. 26-29 to clear the decks for the full meeting Nov. 30.

in-law of Mr. Sturhahn, who is president of Metropolitan Fire Reassurance, operated under the same management as Russia; John R. Cooney, president Firemen's of Newark; R. A. Corroon, president Corroon & Reynolds companies; Fred A. Hubbard, president Hanover Fire; Alfred F. James, chairman Northwestern National; Charles B. Wiggins, Pearl Assurance.

H. C. Sturhahn, a son of the president, holds an important position in the New York office of Russia.

Egloff, Peterson in Los Angeles

LOS ANGELES—John H. Egloff, supervisor of agency field service of the Travelers, has just concluded a series of six meetings intended to help the field force in the operation of the retrospective plan for workmen's compensation. Assistant Secretary George E. Peterson accompanied Mr. Egloff on his trip and aided in conducting the meetings.

"It Can Happen Anywhere". Says George W. Lilly

SAN ANTONIO, TEX.—George W. Lilly, manager of the Fire Companies Adjustment Bureau, spoke to the San Antonio Exchange on the sales problem of fire and casualty men. One of the greatest sales obstacles that insurance agents have to overcome is the thought "that it cannot happen here." Mr. Lilly suggested that the recent disaster on the Atlantic coast, extending up into the New England states has its value as an evidence that the impossible may happen anywhere. He cited disasters in California, Montana, and other places in support of "it can happen anywhere." He pointed out the loss of life and property in the recent disaster as a result of the ignoring of storm warnings and coupled with this the rapidity with which the wind and water acted in the more exposed locations.

Mr. Lilly is making a tour of Texas accompanied by T. G. McCurdy, Dallas, general manager southwestern department.

The insurance firm of Mair, Daniels & Co., 330 South Wells street, Chicago, has been changed to A. W. Daniels & Co.

THIS WEEK IN INSURANCE

Insurance Director Ernest Palmer of Illinois, in a talk before the Illinois agents, outlines his views as to acquisition cost and expenses for insurance companies. **Page 3**

Chairmen of standing committee of the National Association of Insurance Agents are announced. **Page 3**

Subject of whisky insurance again in limelight as result of Glenmore distillery loss. **Page 3**

Much guessing is now being indulged in by insurance people as to appointments that will be made for commissioner in states where gubernatorial change was voted. **Page 5**

Much opposition expected against New York code provision giving department "extra territorial" jurisdiction. **Page 5**

Association of Fire Insurance Examiners of Chicago at "managers' night" meeting addressed by Manager C. F. Thomas of Western Underwriters Association. **Page 4**

Advisory committee of the Western Hall & Adjustment Association met in Chicago this week. **Page 10**

Annual meeting of the Illinois Association of Insurance Agents at Peoria brought out some interesting features. **Page 19**

R. W. Forsyth of Anita, Ia., at the Illinois agents' meeting, commented on some of the important features presenting themselves to the insurance world. **Page 19**

Liability and surety aspects of the construction of the Chicago PWA sub-way are analyzed. **Page 25**

National Association of Casualty & Surety Agents agrees on a form for agency licensing law with special reference to the countersignature provision. **Page 25**

Spokesmen for stock casualty companies plead for a number of changes

in the proposed New York insurance code at a two-day hearing of the joint legislative committee on recodification. **Page 27**

General Manager Senior of the New York Compensation Insurance Rating Board says experience rating is on the road to reform but the reformation should be left entirely in the hands of mathematicians. **Page 27**

W. D. Forsyth, general supervisor of the automobile department in the office of the Illinois secretary of state, gives information on the new driver's license and financial responsibility laws. **Page 28**

Vincent Cullen, president National Surety, deals with mutual competition in his talk before the Illinois Association of Insurance Agents. **Page 27**

State health insurance bill in New York if passed may destroy accident and health business. **Page 26**

Towner Bureau publishes rates for new blanket bond No. 22 for savings, building and loan associations. **Page 28**

Committee from the National Association of Casualty & Surety Agents concurs with company officials in New York on surety commissions on certain lines. **Page 26**

New York Superintendent Pink, in a talk before the Casualty Actuarial Society, suggests the automobile field as an intensive study for casualty actuaries. **Page 28**

Symposium on surveys and program for insurance was conducted at the Illinois agents' convention. **Page 37**

Fall convention of the Arkansas Association of Insurance Agents will be held at Little Rock, Dec. 8. **Page 40**

Fair float rules and rates are liberalized by Inland Marine Underwriters Association. **Page 43**

Much Guessing in Regard to Commissioner Changes

Much speculation is being heard in Oregon regarding the decision that Governor-elect Charles A. Sprague, Republican, is likely to make in the selection of insurance commissioner. During the incumbency of Commissioner Earle, the present holder of the position, the legislature increased the salary of the office from \$3,600 to \$5,000 per year. This fact alone will lead to a lively contest for the job.

Although Mr. Earle is a Democrat, it is not altogether certain that his head will fall. In the Democratic primaries he supported Governor C. A. Martin, who lost to Henry Hess. Many of the Martin adherents failed to support Hess and it is understood that Mr. Earle was one of that number. The disaffection of the Martin Democrats is said to have increased the vote for Sprague from some 13,000 to 54,000.

The insurance commissioner in Oregon is appointed by the governor. The term is four years and it was the intent of the law that the appointment should not exceed the term of the governor. It so happened, however, that Mr. Earle and many of his predecessors were appointed to complete unexpired terms. This has resulted in appointments being made about every two years. The governor is empowered to remove the commissioner "when in his judgment the good of the service requires it." As a result it has become a precedent that the commissioner is shifted when the administration shifts.

Mr. Earle was appointed to complete the term of Commissioner Averill and assumed office early in 1934. Upon the termination of that term, he was reappointed.

A statement has been published in Oregon that the Democratic organization intends to do all in its power to bring about the removal from state offices of all those who refused to give their support to Hess.

The senate and house of Oregon are strongly Republican.

HANNA WILL BE REPLACED

BALTIMORE — Governor-elect O'Connor states that he has given no consideration to appointments and will not take up the list for some time, perhaps not until next April. The term of Commissioner Hanna, Republican, expires next May 1. He will undoubtedly be replaced by a Democrat. The office pays \$6,000 a year and is regarded as one of the juiciest at the disposal of the governor. The appointment is for four years, being concurrent with the term of the governor.

KEEN INTEREST IN TEXAS

AUSTIN, TEX.—There is much speculation and uncertainty in Texas as to whether there will be a change in the position of life insurance commissioner, who is ex-officio chairman of the state insurance board, upon the induction Jan. 17 of the new governor, W. Lee O'Daniel. The fact that O'Daniel was wholly unknown to politics prior to his campaign makes it impossible to anticipate his action.

Judge R. L. Daniel of Victoria has been life insurance commissioner for six years under the appointment of Texas' woman governor, Mrs. M. Ferguson, and his term will expire Feb. 10, 1939.

As against the retention of Judge Daniel several names have been mentioned, including Senator T. J. Holbrook of Galveston, who was defeated for reelection after long service in the senate. He is one of the few intimate friends and close advisors to the incoming governor. He has said, however, he doubted if he would be able to relinquish his Galveston domicile.

Another name being discussed is that of N. S. Longabough of Fort Worth. He was an original O'Daniel supporter.

Two other Fort Worth insurance men are mentioned for the post, Frank Kenney and Tom Taylor.

Under the law the insurance board consists of three members, each of whom receives \$5,000 and have staggered terms of six years. Marvin Hall is fire commissioner and R. G. Waters casualty commissioner. Hall's term expires in four and Waters' in two years. They were appointed by outgoing Governor Allred and will thus constitute a majority of the board until Feb. 10, 1941.

This is the second routine of service by Judge Daniel as life commissioner. He held the office from Oct. 1, 1925, to Sept. 30, 1927, under appointment of Mrs. Ferguson when she was first elected governor.

RHODE ISLAND CHANGE IS CERTAIN

PROVIDENCE, R. I.—The election overturn in Rhode Island and the selection of William Vanderbilt, Republican, as governor, presages a change in the insurance department.

When Quinn, the retiring governor, went into office there was a general discharge and retirement of state officials in all departments who had been in service many years, including the insurance commissioner.

M. Joseph Cummings was appointed chief of the division of banking and insurance for a three-year term which is completed Feb. 1, 1939. It is the duty of the governor during January to "name a qualified elector" as commissioner. It is practically certain that Vanderbilt will not reappoint Cummings.

Mr. Cummings has been something of a thorn in the flesh for the insurance interests. Cooperating with Quinn he called for a state-wide survey of fire rates and advocated a state health insurance plan backed by a state fund. He brought about radical changes in the workmen's compensation laws. On the other hand, Mr. Cummings came out strongly against the adoption of savings bank life insurance.

YETKA HAS 2½ YEARS LEFT

ST. PAUL—What effect Minnesota's landslide Republican victory will have on the insurance department is causing some speculation. For 3½ years the department has been headed by Frank Yetka, a Farmer-Labor appointee, and he still has 2½ years to serve. Commissioners are appointed for six-year terms and they cannot be removed except for cause. Most of the key men in the department now are affiliated with the Farmer-Labor party.

Thus unless Governor-elect Stassen is reelected two years hence he will not be in a position to replace Mr. Yetka. Garfield W. Brown, who preceded Mr. Yetka as commissioner, was permitted to serve out his full term after the Farmer-Labor party came into control, and in fact he remained in office several months after his term actually had expired.

However, Stassen will be in a position to exercise some influence over the department and may, if he chooses, bring about a change in some of the subordinate personnel.

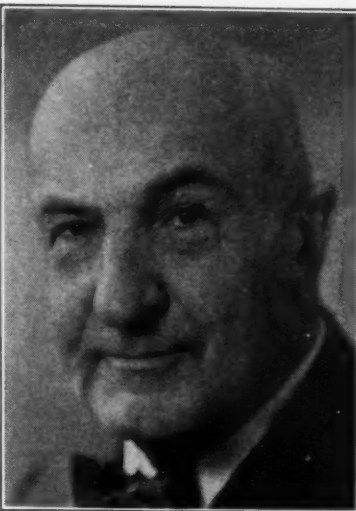
TAGGART MAY COME BACK

PHILADELPHIA—There is a possibility that the Republican victory in Pennsylvania will bring back into office Matthew Taggart as insurance commissioner and A. G. Costello as first deputy.

Mr. Taggart was commissioner in the administration of Governor John S. Fisher. He has been active politically.

During the last week-end, the executive committee of the Pennsylvania Association of Insurance Agents met in Harrisburg. At this session, Mr. Taggart received rather warm support. First

Prominent S. D. Agency Leader Is Feted



JAMES J. ALLEN

The testimonial banquet in Sioux Falls, S. D., for James J. Allen, president of the McKinney & Allen agency of that city, was attended by about 70 guests including distinguished citizens of the city and state, Dakota field men and a number of company executives from Chicago and the east. The occasion marked Mr. Allen's 70th birthday anniversary and his 53rd year in the insurance business. The McKinney & Allen agency is one of the substantial enterprises of Sioux Falls.

Jay B. Allen, also of the agency, son of President Allen, served as toastmaster. The speakers included George R. Barnett for the other local agents of the city; E. A. Henne of Chicago, vice-president and western manager of America Fore, for the companies; A. E. Godfrey, for "the community and church;" J. W. Allen, son of J. B. Allen, student at the University of Chicago, for "the third generation," and City Treasurer L. S. Hetland. The honor guest responded feelingly.

Born in Pennsylvania

J. J. Allen was born in East Smithfield, Pa. He settled in Sioux Falls, then Dakota territory, in 1885 and became associated with the late C. E. McKinney in the insurance and investment business.

Among the guests were J. R. Cashel, Chicago, western manager Providence Washington; C. Claussen, Chicago, western manager London & Lancashire; Commissioner Dunn of South Dakota; Mayor A. N. Graff of Sioux Falls; W. T. Harper, Baltimore, vice-president Maryland Casualty; D. P. Lemen, president Queen City Fire of Sioux Falls; J. H. Macfarlane, Chicago, secretary America Fore; C. H. Smith of Smith & Wheeler, Chicago, western managers Hartford Fire.

An illuminated testimonial signed by 14 employees of McKinney & Allen was presented to the honored guest by W. W. Burt of the agency. The illumination was done by W. R. Townley of the Underwriters Salvage Company of Chicago.

C. E. McLaughlin of the Fire Underwriters Inspection Bureau made a presentation of a silver service in behalf of field men, adjusters and inspectors. E. W. Beardsley, Sioux Falls manager Western Adjustment, presented a traveling bag in behalf of the South Dakota field men.

choice of the group was A. S. Galland prominent agent of Wilkes-Barre, a former president of the Pennsylvania agents. Mr. Galland, however, refused

New York Insurance Code Provision Is Under Fire

Fire, Casualty Carriers Object to Giving Department "Extra-Territorial" Jurisdiction

NEW YORK—Among provisions in the proposed insurance code to which fire and casualty insurance leaders object, and to which strong opposition is expected to develop at a hearing before the joint legislative committee Dec. 2, is that forbidding companies from writing elsewhere any form of insurance not permitted in this state.

The question is not new, either as to New York or as to certain other states, which from time to time in past years have undertaken to prescribe not alone as to what carriers may or may not do within their respective borders, but also to prohibit their transacting any form of indemnity anywhere not sanctioned by the home state. The issue has never been tested in the courts, but it doubtless will be should any state attempt to adopt legislation applicable beyond its own confines.

Present Law Not Stern

The present New York law, while allowing wide discretionary power to the superintendent in the matter, does not go so far as to forbid any company licensed in the state from writing elsewhere types of business not sanctioned under New York statutes. What is known as the "Appleton ruling" was adopted some years ago, when the late Harry Appleton, then first deputy of the New York department, required from all non-state companies, as a prerequisite to their licensing in New York, a stipulation they would not issue in this state any form of protection not sanctioned by the laws of New York, regardless of their charter powers.

Proponents' Argument

A group of fire mutuals pledged that while writing non-assessable policies outside New York, they would refrain from doing so in this state. The attitude of those favoring the proposed provision in the intended code, is that unless some such stipulation were enacted into law, the interest of assured in New York might be jeopardized through transaction of hazardous classes of business elsewhere. Should the challenged provision become a law, company officials hold it would work serious hardship upon many companies.

Report on Unpaid Premiums

NEW YORK.—Charles Stulz, manager Central Bureau, reports unpaid earned premiums of fire and casualty companies for last June totaled \$114,837, greater by \$2,098 than for the same month of 1937, and including \$17,926 due to fire and \$96,911 to casualty companies.

to permit his name to be offered for consideration.

Five other names are being rumored for commissioner. Four are Philadelphians—Walter Munns of the Insurance Company of the State of Pennsylvania; Stanley Kite, resident vice-president Hartford Accident; Gene McColley, branch manager Hartford Fire, and William Elliott, general agent of Philadelphia Life.

(CONTINUED ON PAGE 15)



These views of the damage done to the Glenmore Distilleries plant in Owensboro, Ky., were procured by Western Adjustment and are printed here through the courtesy of that organization. In the upper left frame in the foreground is shown the remains of warehouse CBS, which was a frame metal clad structure and contained about 1,500 barrels of whisky. In the background, extreme upper left, is a unit that was not involved in the fire but that is similar to the destroyed warehouse CBS.

In the lower left frame is a view of the interior of the cistern room, which was a brick structure.

In the upper right frame is a view of what remains of the bottling house (left) and the shipping warehouse (right), both being of brick construction.

In the lower right frame is a view of the interior of the bottling house.

Storm May Reduce Mutuals' Dividends, Says A. R. Menard

BIRMINGHAM, ALA.—Some of the mutual companies will have to reduce their dividends as a result of losses suffered in the New England hurricane, said Albert R. Menard, assistant director of the Business Development Office, in addressing a meeting here of 100 agents called by the Alabama central committee.

Mr. Menard addressed like meetings in Montgomery and Mobile along with E. H. Moore, secretary Alabama Association of Insurance Agents, and Henry Pitat, state agent Liverpool & London & Globe. W. H. Hackney, chairman of the central committee of Alabama field men, presided.

Mr. Menard discussed the losses of

one mutual group in the hurricane as well as in a New England textile mill fire and pointed out that the loss ratio of the mutuals has steadily increased since they began soliciting and writing general business. Considerable discussion was led by Mr. Menard and Mr. Moore as to the comparative statements of stock and mutual companies with the observation by Mr. Menard that insurance which cannot withstand a catastrophe is not insurance.

Mr. Menard reported that a midwestern company circularized policyholders as to which they preferred first in an insurance policy, low price or security and that 93 percent replied that security came first. He added that mutuals in paying dividends only weaken the security offered on the risk, and that stock companies pay dividends in greater security, in maintenance of the National Board and in making a qualified local agency service possible.

A reciprocal, said Mr. Menard, in

fighting a legislative bill in South Carolina wrote its agents that the bill was being fostered by the stock companies as a means of "imposing the local agency system" on the public. Thus, he said, even a reciprocal admitted that the future of the American agency system is firmly bound up with that of the stock companies.

Each of the speakers urged local agents to fortify themselves with facts as to the relative merits of mutual and stock insurance and be prepared to present them with convincing earnestness to their clients.

California Agents Group Directors Appointed

Newly appointed directors of the California Association of Insurance Agents were announced by President Elmer White. They are:

F. L. Adams, Fresno; R. E. Bach, San Diego; C. W. Carpenter, Petaluma;

Neal Harris, Oakland; L. E. Johnson, Salinas; J. J. Kitrick, Oroville; Charles Malcom, Long Beach; F. J. McGee, Sacramento; H. W. McGee, Harold Perk, Jr., Los Angeles; Brooke Sawyer, Redlands; C. E. Tegner, Santa Monica. These directors, together with the officers, comprise the board. D. B. Goldsmith, retiring president and new national councillor, is an ex-officio member.

Those on the board for the first time are Messrs. Adams, Harris, Johnson, Kitrick, Sawyer and Tegner. Messrs. Carpenter and Malcom have served two years and McGee and Perk one year.

The first meeting of the new board will be held in Los Angeles Nov. 25-26. An innovation at the final association meeting this year will be attendance of invited representatives of local associations in the southern California territory as observers in order that the affiliated groups may have first hand information of plans of the state body.



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The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Milwaukee Mechanics' Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
The Metropolitan Casualty Insurance Co. of N. Y.
Commercial Casualty Insurance Company



Western Department
844 Rush St.
Chicago, Illinois

Canadian Dept.
461 Bay St.
Toronto, Canada

HOME OFFICE
10 PARK PLACE
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Southwestern Dept.
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CLEARLY, concisely and in layman's language, this folder describes the intent and operation of this insurance necessity and includes a simplified worksheet for the development of values to be safeguarded when insuring business earnings.

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FIRE ASSOCIATION OF PHILADELPHIA

(Established 1817)

Affiliated Companies:

LUMBERMEN'S INSURANCE COMPANY
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HEAD OFFICES: 401 Walnut Street, Philadelphia

OLD LINE STOCK FIRE, MARINE AND AUTOMOBILE INSURANCE

NEWS OF FIELD MEN

San Francisco Blue Goose Issues Activities Schedule

The San Francisco Blue Goose schedule of activities, issued by Lee E. Colburn, most loyal gander, includes: Dec. 2, Sacramento puddle golf tournament and dinner dance; December (date to be set) dinner dance in San Francisco; Dec. 19, Christmas luncheon, in memory of the late J. H. Schively, long the pond's welder and leader of its charity activities; February, day before opening of Fire Underwriters Association of the Pacific, stag party, "Ye Olden Days;" March, ceremonial and dinner; April, Blue Goose Day at Golden Gate International Exposition; May, Fresno puddle ceremonial and barbecue; June 3, golf tournament and dinner dance.

First hand information on Czechoslovakia was given to the San Francisco pond by Dr. Walter Morritt, internationally known lecturer and educator, who recently returned from central Europe. Don E. Kessler of Jensen & Kessler presided.

Wisconsin Pond Has Fall Rally

MILWAUKEE — The Wisconsin Blue Goose held its fall meeting Monday night in the club rooms. Following dinner five goslings were initiated, they being R. E. Craft and John Roberts with the Fire Insurance Rating Bureau; R. G. Scoble and J. C. Olsen, Liverpool & London & Globe, and Hjalmar Nielson, Jr., Royal Exchange. Fifty members attended. It was decided to resume the Monday noon-day luncheons.

Tompkins Addresses Albany Club

G. S. Tompkins, superintendent improved risk department in the Boston office of Fireman's Fund, addressed the past presidents night dinner of the Albany Field Club. He advocated broadening of coverage and simplification of rules and procedure in lieu of continued rate reductions.

Turnquist with Union of Paris

A. E. Turnquist has been appointed Minnesota state agent of the Union of Paris. He began his underwriting career as special agent in Minnesota for the Commercial Union, later becoming field supervisor for the Fred L. Gray Company of Minneapolis. In his new connection he will work in cooperation with L. L. Law, Minnesota state agent for the London Assurance and Manhattan F. & M.

Daniels Joins Norwich Union

Charles F. Daniels has been appointed Illinois state agent of the Norwich Union, succeeding the late A. T. Ahlin. Mr. Daniels was formerly Illinois special agent of the Eagle Star and for a time was with Fred S. James & Co., Chicago. He will have supervision over the entire state except Cook, Will, Lake, DuPage and Kane counties, which will continue under the direction of L. C. Thoelecke, metropolitan department manager in Chicago.

Illinois Field Club Meeting

The Illinois Field Club held a meeting in Peoria preceding the opening of the convention of the Illinois Association of Insurance Agents. R. E. McGonagle, field representative Western Sprinkled Risk Association, spoke on "Sprinkled Risk Underwriting." R. S. Danforth, assistant secretary Millers National, was a guest. R. R. Mittelbush, Security of Davenport, president, announced that the next meeting will be held in Chicago early in January and will probably be featured by a trip through the Underwriters Laboratories.

Strossmann Heads Kentucky Fire Underwriters Group

LOUISVILLE—The Kentucky Fire Underwriters Association at its annual meeting here elected the following officers: president, W. H. Strossmann, Hartford Fire, Lexington; vice-president, E. C. Hill, Aetna Fire, Louisville; secretary, Paul C. Grider, North British & Mercantile, Louisville, (reelected); executive committee: T. G. Wilds, Hartford Fire, Louisville, chairman; J. W. Bethel, Fireman's Fund, Louisville; E. C. Knopp, Aetna Fire, Louisville. Holdovers on the executive committee are W. W. Smith, Louisville, Liverpool & London & Globe; Marshall Mellor, Louisville, Home.

The Kentucky Blue Goose held a business meeting and initiation of five new members, with a dinner in the evening.

Kansas Pond Thanksgiving Party

Nearly 100 attended the Thanksgiving party of the Kansas Blue Goose in Topeka, including a good representation from Kansas City, Wichita and scattered points. Mrs. George Freese of Wichita, wife of the big toad of the Sunflower puddle, won the door prize. Most Loyal Gander W. F. Ehret of Wichita announced a party with the Sunflower puddle as host, to be held early in spring in Wichita. The annual meeting and golf tournament has been set for May in Wichita.

Iowa Pond Aids Welfare Drive

DES MOINES—The Iowa Blue Goose this year for the first time organized to aid the community welfare drive and "went over the top."

In the past, one team captain has been in charge of all insurance groups, but this year the Blue Goose took it upon itself to conduct the drive, with J. H. Bunten, state agent Fire Association, as captain.

Plan Quebec Silver Jubilee

An active committee has been appointed and preliminary meetings already held to make plans for the silver jubilee celebration of the Quebec Blue Goose next June.

Indiana Hard Times Party

The "hard-times party" of the Indiana Blue Goose brought a good turnout, although the rival attraction of several important football games within striking distance of Indianapolis cut into the attendance somewhat. Prizes of seemingly needed groceries were awarded to the two men and the two women who presented the "worst" getup. At the next meeting Dec. 5 delegates to the grand nest meeting in Los Angeles will report.

Ohio Speakers Group Meets

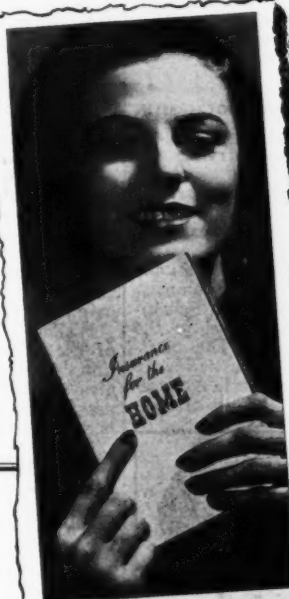
Rolf Rosenlund of the Home and J. D. Lecky, Jr., Royal Exchange, spoke before the Stock Fire Insurance Company Speakers Association in Columbus, O., Monday, Mr. Rosenlund on "Fire Prevention Talks to Grade Pupils," and Mr. Lecky on "Survey Plan of Selling."

Inspection at Fulton, Ky.

The Kentucky Fire Prevention Association met at Fulton, Ky., with about 30 field men present for an inspection.

New Jersey Field Men to Meet

NEWARK—One of the features of attraction at the dinner-meeting of the New Jersey Field Club will be the showing of the sound motion picture "Heat," dealing with the construction and insulation materials, which is vital in fire hazard protection. Prior to the



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You know — as all good shoppers do — that you can't get bargains unless you know what you're buying. And that holds true when you buy insurance for your home.

Therefore, if you want to save money on premiums; if you want to get the right type of coverage; and if you insist on getting the very best service, there's only one thing to do. Go to your local insurance agent or broker — the man who takes a *personal* interest in your problems. Ask him to explain everything — the various forms of insurance, the difference between stock and mutual service. And most important, have him outline — through a complete analysis — a perfect protection plan for your home.

GET THIS BOOKLET, FIRST

Before buying any more insurance for your home read our free booklet on the subject. It explains a lot of things you really should know. It will save you time, money and possibly trouble. Send coupon for your copy.



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Gentlemen: Send me without obligation, your new booklet "Insurance for the Home."

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In our current national advertising — reproduced at the left — we are telling 1,500,000 good prospects each month, how to get *real* bargains in insurance. Moreover, we are telling these men and women, that bargains in service are sold by you, the independent agent and broker — today and every day.

Thousands have answered these advertisements. Which proves:— that wise insurance buyers still want *complete* protection—that home owners want more information on coverages — that prospects need your help both in analyzing needs and handling claims—that sales are going to be made.

No doubt, many of those who have seen these advertisements are right in your territory. So what are we waiting for?



FREE TODAY, HOW TO GET BARGAINS IN SALES

If you are looking for short cuts to greater sales read our monthly magazine "The Employers' Pioneer." It's filled with ideas on selling, new coverages, collections and all other phases of casualty, fire and bonding lines. Send for your free copy of the current issue. Address Publicity Dept.



The Employers' Group

110 MILK ST., BOSTON, MASSACHUSETTS

The Employers' Liability Assurance Corp. — The Employers' Fire Insurance Co. — American Employers' Insurance Co.

dinner, the executive committee will hold a meeting to pass on applications for membership.

Minnesota Blue Goose Meets

MINNEAPOLIS — Maj. N. W. Speece, U. S. army, spoke at a luncheon meeting of the Minnesota Blue Goose on conditions in China where he recently was stationed. Thomas G. Linnell, Enck & Linnell, was in charge.

Ohio Blue Goose Party

The Ohio Blue Goose will give a dinner dance the evening of Dec. 5 at the Scioto Country Club, Columbus. The following day the Ohio Fire Underwriters Association will hold its monthly meeting. J. F. Lisy, Jr., is in charge of reservations for the Blue Goose party.

H. S. Milligan Returns to England

H. S. Milligan, general manager North British & Mercantile, sailed for London on the "Queen Mary" after a visit of several weeks in the United States and Canada.

President H. M. Giles of the Millers National has been visiting Pacific Northwest agencies.

AS SEEN FROM CHICAGO

TO DISCUSS ILLINOIS CODE

Henry S. Moser of Chicago, chairman of the insurance section of the Illinois State Bar Association, has called a meeting for 2 p. m., Nov. 25, at the Stevens Hotel in Chicago, inviting the Illinois members of the insurance section of the American Bar Association to be guests.

Roy L. Davis, assistant state director of insurance, will speak on "Problems of Insurance Supervision." There will also be presented a complete report of the annotating committee which has been working on the Illinois code and which Chairman Moser announces it is hoped that it will be ready for delivery before the first of the year. A galley proof of substantially the entire work will be available for examination at the meeting.

JAMES HOLDS TRAINING CLASS

Fred S. James & Co., Chicago, is holding a training class with weekly meetings in the late afternoon. Various insurance lines are being discussed as well as sales fundamentals. About 65 office brokers, solicitors and employees

are attending each session. At the opening meeting Clay F. Lundquist, manager of the life department, discussed insurance fundamentals. Urban M. Lelli, general agent inland marine and business development departments of the Connecticut Fire, talked on transportation insurance at the second session. At the Nov. 29 meeting Benjamin H. Groves, manager of the Travelers, Chicago, will discuss life insurance and the changes being made in the field.

SCHAUFFLER TALKS TO STOCK MEN

The importance of a public relations program as it concerns carrying the message of stock fire insurance into every home both through the efforts of agents and brokers, and local and national advertising campaigns was discussed by Harry K. Schaufler, assistant general manager of the National Board at a meeting of stock company representatives in Chicago. Mr. Schaufler spoke to a capacity crowd in the Chicago Board auditorium. The meeting was sponsored by the Chicago Board, Western Underwriters Association, Chicago Insurance Agents Association

and the Insurance Brokers Association of Illinois, with J. K. Walker of Moore, Case, Lyman & Hubbard, president of the Chicago Agents Association, presiding.

Mr. Schaufler declared that every person representing stock fire companies is entrusted with the responsibility of seeing that the public relations job is accomplished, needed coverages sold and the reputation of the business upheld. Agencies, he said, which analyze local selling possibilities will get the business. Successful methods employed in other businesses should be followed, not overlooking possible opportunities to dramatize the business. Mr. Schaufler cited the experience of the stock companies in the recent New England hurricane disaster. Agents in the future will do a better selling job with the realization that only a small part of the \$300,000,000 property loss was insured against tornadoes, he said, estimating that by Jan. 1, there will be four times as much tornado insurance in force in the New England territory as was before the storm. He described the National Board advertising campaign stressing "Standard Protection."

Wallace Rodgers, assistant manager of the Western Underwriters Association, who introduced Mr. Schaufler, also described the "What Helps Business, Helps You" program of the Chamber of Commerce of the United States.

F. W. DOREMUS IS INTRODUCED

Vice-president Robe Bird of the American of Newark group in the west entertained F. W. Doremus, former secretary at the head office, who became western associate manager at Rockford, last week. Mr. Doremus looked over the residence possibilities and intends to move his family out in the near future. Mr. Bird accompanied him to Chicago and introduced him to a number of insurance people in that city.

VETERAN ADJUSTER DIES

Eilert W. Johnson, building contractor, adjuster and appraiser for 18 years associated with Wm. E. Solomon & Co., Chicago, died this week at Swedish Covenant hospital there following an operation for a gastric disturbance. He was 54, married and widely known in the central west, in years past having done special work for the Western Adjustment and Underwriters Adjusting.

DETHKE LEAVES OSBORN & LANGE

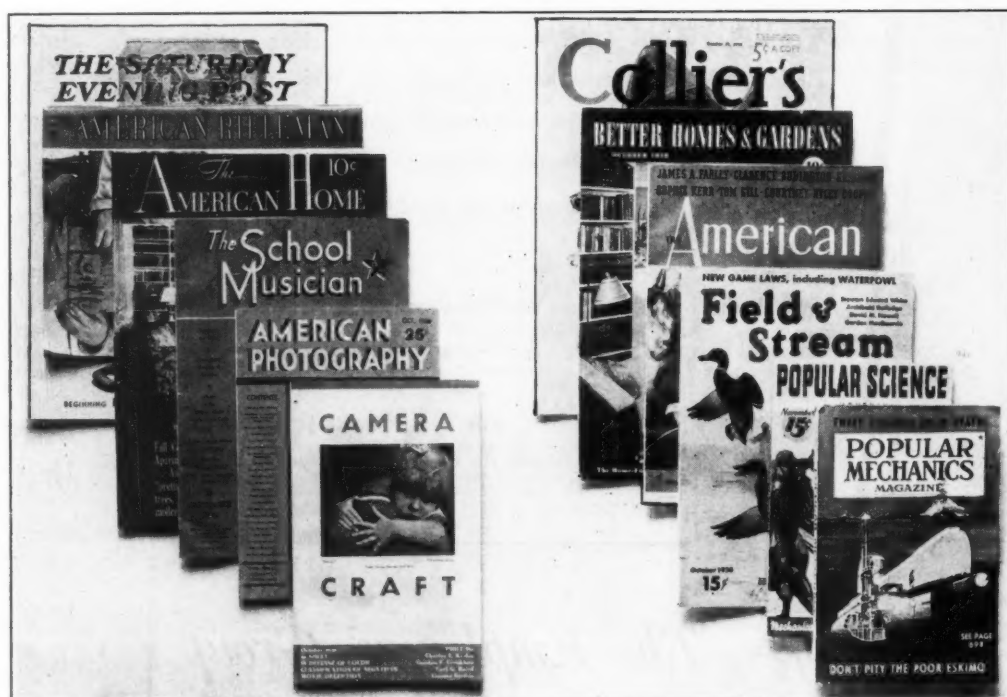
W. J. Dethke has resigned as head of the fire and casualty departments of the Osborn & Lange agency of Chicago, a position he had held about three years. He was at one time in the field for Automobile of Hartford and then for Kansas City F. & M.

QUARTER CENTURY CLUB

The Great American has a Quarter Century Club composed of officials and employees who have been with the organization 25 years. The members of this club connected with the western department at Chicago are as follows:

G. D. Gregory, secretary; G. G. Classen, assistant secretary; T. R. Ellis, accountant; Miss Alice Layman, switch-

12 Million Messages This Month In the Interests of Our Agents!



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Put more business
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SINCE 1854
THE PHOENIX INSURANCE COMPANY
OF HARTFORD, CONNECTICUT
Cash Capital, \$6,000,000.00
Surplus to Policyholders, \$44,807,872.44

American Equitable Assurance Company of New York
Organized 1918 Capital \$1,000,000.00

Globe & Republic Insurance Company of America
Philadelphia, Pa. Capital \$1,000,000.00 Established 1862

Knickerbocker Insurance Company of New York
Organized 1913 Capital \$1,000,000.00

Merchants and Manufacturers Fire Insurance Company
Trenton, N. J. Capital \$1,000,000.00 Chartered 1849

New York Fire Insurance Company
Incorporated 1832 Capital \$1,000,000.00

Sussex Fire Insurance Company
Newark, N. J. Incorporated 1928
Capital \$1,000,000.00



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WRITING FIRE AND ALLIED LINES OF INSURANCE

Since organization this Group has paid losses in excess of
Two Hundred Million Dollars

Represented by leading insurance agents throughout the country

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Incorporated
MANAGER

New York

board operator; A. A. Clark, farm department; Miss Nora G. Wagner, reinsurance department; M. S. Garman, examiner; G. E. Dixon, Missouri state agent; R. J. Jordan, Minnesota state agent; A. S. Reed (retired), W. F. Benbow (retired), A. L. Jessup, Colorado state agent; C. G. McCray, Ohio special agent; Miss Agnes M. Wall (retired), A. G. Johnson (retired), E. F. Scott (retired).

R. S. OELLERS ON CHICAGO VISIT

Ralph S. Oellers, secretary of the Meserole companies, was in Chicago for a few days, conferring with F. J. Pocquette, western representative. On Saturday he attended the Northwestern-Notre Dame football game with several members of the McGee agency of Kansas City.

AMERICAN FIRE IS EXPANDING

The American Fire of Galveston, which has operated in downstate Illinois for some time but not in Chicago and Cook county, has entered the latter territory. This company which is owned by the American Indemnity of Galveston will be managed from the Chicago office of the American Indemnity in A-1318 Insurance Exchange. W. A. Coan is acting manager of both companies in Chicago. Frank J. Graf is fire underwriter there. John A. Walberg, for eight years vice-president of the Adams-Clark Agency, Chicago, who resigned recently, has been appointed special agent by the American Fire in Cook county. The American Fire has been admitted as a subscriber to the Chicago Board. It is planning to write all fire lines. Mr. Graf has been 20 years in the fire business, starting with the Phoenix of London in Chicago and being underwriter and later brokerage manager of the L. & L. & G. there, after which he became underwriter in New York. For a time then he was chief underwriter and office manager of

the State F. & M. at Peoria and later fire underwriter of Chicago Lloyds before going with the American Indemnity in July. Mr. Walberg before his connection with the Adams-Clark agency was connected with Bartholomay-Darling Company. President J. F. Seinsheimer was in Chicago superintending the start of fire operations.

GIFTS FOR MISS MABEL GORE

Mabel L. Gore, former secretary and office manager of R. A. Napier & Co., Chicago, was presented an 85-year-old Sheffield silver coffee service by office employees prior to her departure from business to be married to John Watson of Port Huron, Mich. Miss Gore was especially appreciative of this gift as she is a collector of antiques. Mr. Napier also gave a private party at his home in Blue Island, at which time his three grandchildren staged a mock wedding. Beside a number of individual gifts presented by those in the Napier agency, Miss Gore received many presents from companies which the organization represents.

HAIL COMMITTEE MEETS

The advisory committee of the Western Hail & Adjustment Association met in Chicago this week to review the 1938 experience and make recommendations to the executive committee as to any revisions that may be found desirable. The annual meeting of the association will be held in Chicago, Dec. 5. J. H. Macfarlane, secretary in the western department of the America Fore, is president. J. B. Cullison, Jr. of Chicago, manager Rain & Hail Insurance Bureau, is chairman of the advisory committee. L. J. Braddock, assistant manager of the North America, is vice-president of the association.

MILLERS NATIONAL ON COLLECTIONS

The Millers National of Chicago, has distributed a comprehensive portfolio on

the subject of collections to its agency plant, a feature of which is a collection letter contest in which producers and their employees are invited to participate. Cash prizes are offered for the three best letters submitted. Irving Williams, editor of "Rough Notes," will act as judge.

The portfolio also includes a file folder captioned "Collection Ideas" for agents to file collection ideas as they come across their desks. To start the file Millers National has enclosed in pamphlet form an outline of basic collection principles applicable to agency requirements, also 17 collection plans which were selected from approximately 400 plans accumulated from their agents in the past two years.

This "collection" theme is a part of Millers National's program of submitting to its agents a new constructive thought or new approach for business every 60 days. The collection subject has been selected at this time because agents are specially desirous of cleaning up outstanding accounts from now until the first of the year.

Chicago News Notes

Francis M. Regan, manager of the John M. Cogley general agency of Sioux Falls, S. D., was visiting in Chicago this week.

The Cook County Field Club will hold its annual dinner Dec. 16 at the Germania Club.

Vice-president A. R. Phillips of the Great American was in Chicago last week visiting the western department.

August Torpe, well known Chicago agent, is at Hot Springs, Ark., for a sojourn.

Charles L. Bliss, veteran broker with Critchell, Miller, Whitney & Barbour, Chicago, formerly for many years a class 1 agent of the Chicago Board, observed his 86th birthday the other day. He has been with Critchell, Miller about 30 years and in the business nearly 50 years. Mr. Bliss still is active in at-

U. S. High Court to Review Application of N. J. Tax

WASHINGTON — Constitutionality of New Jersey tax statutes imposing a personal property tax upon the intangible personal property of a domestic fire insurance corporation having its business domicile in another state will be reviewed by the Supreme Court, which accepted the petitions of Newark Fire, Universal and Universal Indemnity for review of decisions of the state court of errors and appeals.

Decision as to the jurisdiction of the court, it was announced, will be deferred, pending a hearing of the cases on their merits.

Charge Double Taxation

In appealing the New Jersey decisions, the companies contended that only the state in which a company is domiciled has jurisdiction to tax intangible personal property. The court of errors and appeals affirmed lower court decisions that the tax was valid and did not violate the fourteenth amendment of the constitution by depriving the companies of their property without due process of law, and that the state of domicile also has jurisdiction to tax. The companies claimed that this would result in illegal double taxation.

Application of the personal property tax in New Jersey is perhaps the most onerous levy against insurance companies anywhere in the country. In recent months two companies of New Jersey charter took advantage of the new law permitting a New Jersey company to merge with a company of another state. Those companies were New Jersey of the Meserole group and Merchants & Manufacturers Fire of Corroon & Reynolds.

tending to his business and goes to the office every day or so from his home in Oak Park.

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MONTREAL

VIEWED FROM NEW YORK

By GEORGE A. WATSON

LIST BIG FIRES IN OCTOBER

The New York "Journal of Commerce" lists these fires that occurred in October, which were estimated to have caused loss of \$100,000 or more:

East Boston, Mass., condemned factory building, \$100,000; Hoboken, N. J., store, offices and apartments, \$150,000; Linden, N. J., refinery, \$500,000; Syosset, L. I., dwelling, \$200,000; Troy, N. Y., city hall and church, \$260,000; Clearfield, Pa., professional building, \$100,000; Elwood City, Pa., Reliance Manufacturing and Elwood Forge plant, \$200,000; Manchester, Va., clubhouse, \$100,000.

Also Mobile, Ala., two saw mills \$100,000; Forrester, Ark., saw mill, \$250,000; Little Rock, church, \$100,000; Arcadia, Fla., cold storage plant, \$100,000; Dalton, Ga., bedspread factory, \$175,000; Minden, La., cotton warehouse and filling sta-

tion, \$110,000; Meridian, Miss., lumber yard, \$100,000; Big Springs, Tex., cotton warehouse and press, \$490,000; Chapel Hill, Tex., cotton warehouse and two grocery stores, \$100,000; Cambria, Va., three industrial buildings, \$115,000.

Also St. Elmo, Ill., refinery, \$200,000; Rochester, Ind., hotel, \$125,000; Toledo power plant and three store buildings, \$100,000.

BROCHURE ON WORLD SERVICE

In commemoration of its 20th anniversary the American Foreign Insurance Association issued an attractive brochure giving a resume of the unique position it occupies. Through its head office in New York City it writes policies in fire, marine and allied lines, covering property anywhere in the world,

save in North America, Cuba, some of the West Indies and Hawaii. It operates through 30 foreign branch and sub-branch offices, and more than 600 agents and sub-agents. It also has facilities for handling casualty and life business, and is equipped to make claim adjustments throughout the world. W. H. Koop, president Great American group, is president, other officers being: Vice-presidents, George G. Bulkley, president Springfield F. & M., and B. M. Culver, president of the America Fore group; secretary, O. E. Schaefer, president Westchester Fire; general manager, Harry Austin. The membership includes America Fore, American of Newark, Crum and Forster, Fire Association, Glens Falls, Great American, Hartford Fire, Home, Phoenix of Hartford, St. Paul F. & M. and the Springfield F. & M., their combined assets approximating \$925,000,000.

SUBURBAN CLUB MARKS 20TH YEAR

More than 200 attended the 20th anniversary dinner of the Suburban New York Field Club. President S. H. Richardson presided. The principal speaker was W. J. Ward, secretary, New York Fire Insurance Rating Organization, who gave some historical recollections. He recalled that when the club was organized the premium income in the suburban territory was about \$5,000,000, whereas now it is nearly \$20,000,000. Superintendent Pink of New York spoke briefly. F. N. Smith, special agent American, was chairman of the committee on arrangements.

GIVE HAND TO A. J. SMITH

A. J. Smith was feted at a surprise luncheon by the Association of Local Agents of the City of New York in appreciation of the fact that he has been selected as a member of the executive committee of the National Association of Insurance Agents. Mr. Smith is president of the New York City association. He is the first New York City agent ever to serve on the National executive committee. G. F. Kern was toastmaster at the luncheon. Short talks were made by J. F. Honness of Mills & Honness, who is observing his 50th year in the business, and by J. A. Lynch of Gruber & Lynch.

Palmer Insists on Reduction in Cost

(CONTINUED FROM PAGE 3)

cannot be regulated. However, if the insurance department has authority to regulate rates, it should logically be able to regulate expenses. If necessary, however, Mr. Palmer maintained that he will ask the legislature for specific authority over commissions.

Preferred and graded commissions were particular objects of Mr. Palmer's shafts. He stated that it is his opinion

that graded commissions cannot be defended at law, and that he personally is convinced that a flat commission and brokerage scale is needed. Probably a 5 percent differential for big city agents can be justified, but that is all. The department is not trying to put any one out of business, maintained Mr. Palmer, but its first duty is to the public and it must see that the public gets a square deal. The department, maintained Mr. Palmer, will tackle the commission problem on a fair and sane basis, but he served notice that it will attack the problem "without fear, favor, or delay."

Same Commissions on All Lines

Maintaining that an attempt to regulate fire insurance costs without regulating the expense of handling other lines of business would be futile and that any one in a large city knows what he means by this statement, Mr. Palmer declared that a flat commission and brokerage scale should be established for all branches of insurance, except workmen's compensation, ocean and lake marine, accident and health and life. A uniform scale, he maintained, would benefit legitimate producers and would save insurance companies thousands of dollars in clerical expense now incurred under the present "cumbersome and inequitable system." He did not attempt to suggest what the standard percentages should be, but asked the association to think about it, stating the department was willing to listen to the agents and to any other association of producers and to the companies. The companies, he declared, are entitled to a fair profit, sound and efficient management should have a reasonable reward for work well done and legitimate producers, both agents and brokers, are worthy of their hire.

T. D. Hughes Named Secretary

T. D. Hughes, who was recently called to the head office of America Fore from Florida, where he was state agent, has now been elected secretary of Fidelity-Phoenix of the America Fore group. He went into the insurance business in 1919 with J. F. Lewis & Co., Atlanta, as general agent. In 1920 he joined the North America as farm special agent in Georgia, later serving in Mississippi. In 1924 he went with Continental as Mississippi special agent and then was later transferred to Florida. During the Florida boom, he was in the local agency business in Tarpon Springs, Fla. In 1930 he went back with the America Fore in the Florida field.

Smith Attends Atlanta Conference

ATLANTA—Harold V. Smith, president Home of New York, who spent the summer and early fall abroad, attended a regional conference here of field men of his company in the southeast. He went on from here to New Orleans.

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MONTREAL
BOSTON
ST. LOUIS
LONDON

Guessing Period Is at Hand

(CONTINUED FROM PAGE 5)

The fifth mentioned candidate is David R. James, an agent of Scranton.

THULEMEYER MAY SEEK POST

CHEYENNE, WYO.—Rumors that Theodore Thulemeyer, former commissioner, will be one of several candidates to seek the forthcoming appointment as insurance commissioner are being widely circulated. Although no announcement has been made by Governor-elect Nels H. Smith, Republican, on this matter, political authorities consider it almost certain that Arthur J. Ham, present commissioner, whose term expires March 1, will be replaced. In Wyoming the commissioner is appointed by the governor, with the approval of the senate.

NO CHANGE IN NEW HAMPSHIRE

CONCORD, N. H.—The election in New Hampshire will have no effect on Commissioner Rouillard. The present governor, a Republican, was reelected, while the appointment of the commissioner made by him, was for a five-year term.

EXPECT JULIAN'S REAPPOINTMENT

MONTGOMERY, ALA.—It is generally believed that incoming Governor Dixon of Alabama will reappoint Frank N. Julian as superintendent of insurance. Mr. Julian is president of the National Association of Insurance Commissioners. Dixon has stated he does not intend to build a political machine with patronage. The three previous terms of Mr. Julian have qualified him. Practically all Alabama insurance interests are back of him.

GUESSERS BUSY IN OHIO

COLUMBUS, O.—In spite of a direct and unequivocal statement made by insurance man believed to be in close touch with Republican Governor-elect Bricker that an out-and-out Republican would be appointed superintendent of insurance, a report was current this week that Superintendent Bowen might be reappointed. Mr. Bowen has been commended for his services, but the opinion has been expressed that the retention of any important state official of the Davey administration by the new governor might meet with disfavor on the part of Republican organizations throughout the state, and might be interpreted as substantiating charges made in the recent campaign. The administration has been in the hands of Democrats for eight years and the belief prevails among Republicans that Republicans should be placed in all important offices.

Among those mentioned for appointment as superintendent are T. M. Miller, former assistant attorney-general; Homer Trantham, secretary Insurance Federation of Ohio; Burt A. Miller, one time insurance superintendent in the

District of Columbia; Earle Stewart, Ironton, former assistant superintendent; Dale Dunifon, former assistant attorney general under Mr. Bricker, and C. C. Beals, former chief examiner.

Mr. Beals recently resigned and his duties have been taken over by P. H. Stanberry. Some time ago Deputy Superintendent L. B. Blakemore of Cincinnati resigned and his work is being handled by Ray Bates, attorney.

Consideration also is being given to the appointment of a fire marshal. W. S. Bucklew, chief of the Upper Arlington fire department, has been suggested and there is talk that Ray Gill, former state fire marshal, may again be chosen.

C. F. Thomas Addresses Chicago Examiners

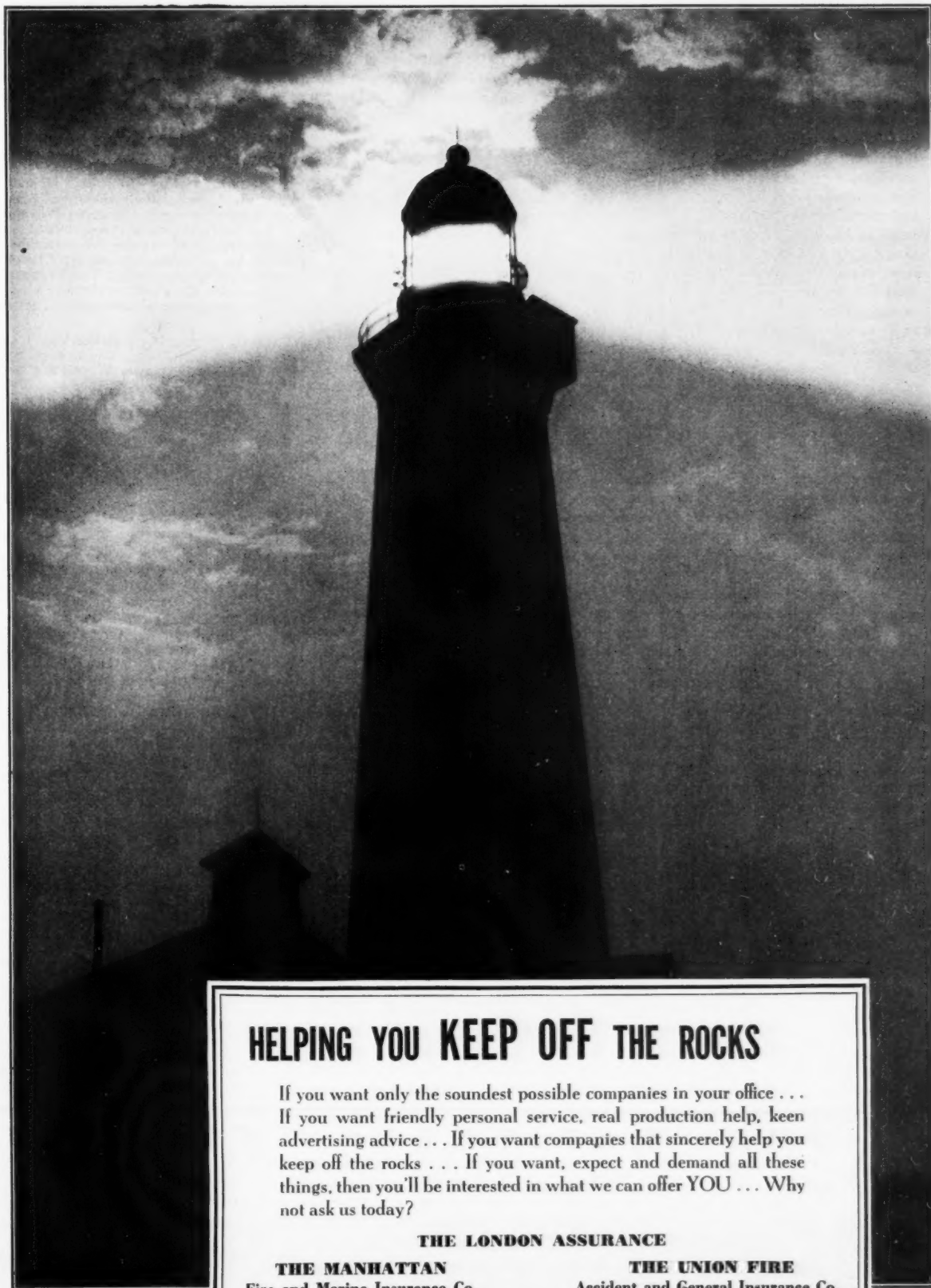
(CONTINUED FROM PAGE 4)

mental of indemnity against loss has changed not one whit."

P. W. Freilich, association president, presided. This was one of the greatest turnouts of managers in the association's history. Among the honored guests were S. M. Buck, vice-president in charge of the Great American western department and president W. U. A., who introduced Mr. Thomas; E. A. Henne, vice-president America Fore;

J. S. Glidden, manager Chicago Board, and R. A. Parker, the assistant manager; A. F. Powrie, western manager Fire Association, and H. K. Dickinson, assistant manager; E. H. Born, H. W. Chesley and Wallace Rodgers, assistant managers W. U. A.; H. L. Grider, manager of the Western Factory; R. M. Beckwith, assistant manager Western Actuarial Bureau, and C. W. Ohlsen, western manager Sun.

N. W. Young, a vice-president of the New Jersey Association of Underwriters, has purchased the interest of Mrs. C. A. Reger in the Reger Agency, **Whitehouse Station, N. J.**, and will continue the business without change of name.



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EDITORIAL COMMENT

Generating Dynamos at Headquarters

It is quite common and probably the line of least resistance to shoulder a lot of responsibility on local agents and also field men so far as developing salesmanship proclivities and habits are concerned. We realize that we are definitely in a merchandising era with regard to insurance. While in days gone by insurance was secured by pull, acquaintance or pressure, now, for the most part, it has to be sold. The day has passed when agents can sit in their offices and wait for customers to call them up and order insurance. As a matter of fact, there is very little new business on the surface. Some local agent, who is particularly service-giving and has a special adaptation to his work, may here and there impress an assured with the value of his advice and resourcefulness, thus taking a risk away from somebody else. Naturally every agent is on the alert for any new business that appears in the offing in the way of new buildings, added stocks, etc.

Probably the most successful method to develop business is to be ingenious enough to suggest coverages to present

customers that they actually need and which if they do not have expose themselves to great danger and possible heavy loss.

Therefore, it has become quite a habit to urge local agents to become sales-minded, go out and get the business and in like manner belabor the field men telling them that they should become teachers.

Sometimes we forget that a grave responsibility rests both on company executives and managers. The field men and local agents need to have a constantly flowing source of energy from the headquarters dynamo. That is, at the head office there must be generated at all times, ideas, plans, methods for securing business. The general office has a broader view of the field than the special and local agents. Therefore, the managing office must supply the energy, it must be the source of bristling, practical ideas and must keep the field men encouraged and on their toes. It is not enough simply to give a command. With the command should go practical suggestions, help and encouragement.

Cutting Down on Unnecessary Expense

A VERY shrewd and successful business executive the other day, in looking over the expenditures of a concern found what seemed to be exceedingly high telephone bills. In analyzing the items he discovered that probably two-thirds of the amount could have been saved. It was easier for a man to pick up the telephone and call someone 500 or 300 miles away than to write a letter or send a telegram. The telephone habit is growing and it is expensive.

Business concerns need to conserve their resources, pay less out in useless expenditures and more if necessary to workers. If the amount of money that could well be saved in wasteful expenses were conserved and paid in salaries, much more effective work would be done.

The astute executive is not parsimonious nor given to biting nickels in two. However, he does not see the necessity

of a long distance telephone call when perhaps a 3-cent stamp or an airmail stamp of 6 cents would do the trick. If he wanted more dispatch he could use the telegraph. There are exigencies and times when the long distance telephone is abundantly justified. It has done much to expedite business. However, it is the general trend in business houses to abuse the telephone privilege.

Office managers certainly can make a study of these wasteful expenses and put a curb on them. Unfortunately it is the people higher up that are inclined to become extravagant in the use of the long distance telephone. Where 3 cents or 6 cents could accomplish just as much as a \$4.50 telephone bill, it seems a needless waste to do the easier thing. We criticize the government for huge spending and yet in a small way our own offices may be guilty of useless extravagant practices.

Suspicion Insidious in Its Working

VERY frequently it is found not only in insurance but in all other businesses, suspicion becomes a very destructive force. Competitors act often under suspicion. They draw conclusions about others without having all the facts in

mind. Probably 95 percent of our judgments of people of whom we are suspicious of this thing or that, are wrong. Very often a thin veneer of suspicion keeps very excellent competitors apart. Officials are conscientious and honest

in their intentions. Driven by suspicion as to what someone else is doing they seek to protect their business and themselves. Frankness and confidence could

do much to restore good feeling and soften those sharp angularities of competition that always serve only to tear and lacerate.

PERSONAL SIDE OF BUSINESS

Judge C. S. Younger of Columbus, O., president Cooperative Life and former insurance commissioner of Ohio, is seriously ill. He underwent an operation recently. He is in very bad shape.

W. V. Knott, Florida commissioner, is to be tendered a dinner at Tampa by the insurance fraternity Nov. 29, the occasion being his 75th birthday. The affair will be held at Wakulla Springs hotel. Every department of insurance—life, fire and casualty; company forces, agents and state officials will participate. Hunter Brown, Pensacola, vice-president Florida Insurance Agents Association (fire, casualty, surety) will be toastmaster. Mitchell Stallings, Tampa, president of the fire, casualty and surety group, and LeRoy Johnson, Jacksonville, life association president, will represent their interests. Chairman Wheeler, of the Southeastern Underwriters Association will sit in for the fire assemblies, with his Florida manager, Hilton Holmes of Jacksonville; Tom Lippert, Jacksonville, Fla., field conference chairman and George Edmondson, Tampa.

W. G. Elam, 71, Suffolk, Va., local agent, died last week. The agency will be carried on by Rawls Woodward, son of Mr. Elam's former partner who died some years ago. Mr. Elam celebrated the 40th anniversary of the agency last year.

Employees and officers of **Firemen's group** gave a Thanksgiving dance this week in Newark.

Harry A. Taylor, Newark local agent, has been reelected a director of the National Association of Real Estate Boards.

Russell D. Hobbs of Chicago, manager of the Western Actuarial Bureau, has had an attack of nervous indigestion and his physician has advised him to let down somewhat on his work. He is at his home taking life more leisurely than is his accustomed pace. Mr. Hobbs has a very responsible and exacting position to fill. He does his work in magnificent style. He is very conscientious. The toll on his physical resources has been too heavy.

Mrs. W. H. Lininger, 2327 Park Place, Evanston, Ill., wife of the retired resident vice-president of the Springfield F. & M. in its western department, who underwent two serious operations at Evanston Hospital, hopes to be able to get to her home within a week. She will recuperate there for a while and in due season accompanied by Mr. Lininger and Mrs. Homer D. Lininger, will be taken to the Lininger home at the "Lodge in the Desert," near Tucson. Homer D., the son, is head of this interesting winter resort place. W. H. Lininger erected a winter home nearby last season. Homer D. left Evanston some days ago as did the other son, Herbert K., Oklahoma state agent of the Springfield F. & M.

Both sons were called to Evanston and remained with their father for some time until Mrs. Lininger was out of danger.

Richard E. Bolling, Jr., of Nashville, Tennessee state agent Fireman's Fund, was a visitor in Chicago this week, conferring with E. D. Lawson, western manager.

Frank A. Ross, 85, old-time Iowa field man, who had been retired from the insurance business for 25 years, died in Des Moines. He was with the old Atlas of Des Moines until 1909 as a special agent and adjuster, and when it was taken over by the Anchor of that city he worked with it for a short time.

Hobart Brady of the Swope-Brady Agency, Wichita, Kan., was a speaker at the annual meeting of the National Association of Realtors in Milwaukee. **C. M. Allen** of the L. W. Bauerle Agency, president of the Wichita Realtors, accompanied Mr. Brady to Milwaukee.

C. K. Withers of Newark, president of the Lincoln National Bank, and former New Jersey commissioner, has been appointed to the executive committee of the American Bankers Association and also a member of the legislative committee.

Vice-president **S. M. Buck** of the Great American group in charge of its western department is stepping high these days because he has had thrown about him the dignified, circumspect and regal regalia of a grandfather. He has a new grandson at Woodside, L. I., born to his daughter, Mrs. William Seitz.

J. B. Bridston, Grand Forks, N. D., owner of the J. B. Bridston Co., general insurance agency, was elected state senator from the 7th legislative district. The J. B. Bridston Company operates throughout the state and is general agent for the Seaboard Surety, Employers Mutual Casualty of Des Moines and Tri-State Mutual Grain Dealers. Mr. Bridston is also secretary and manager of the First Federal Savings & Loan Association and the Grand Forks Builders & Traders Exchange.

R. W. Thomas, vice-president and agency secretary of London & Lancashire, died of a heart attack while attending a theater in New York. He had been connected with London & Lancashire since 1915, going with that company shortly after graduating from Trinity College. He was vice-president of the affiliated Safeguard and Orient.

Clarence T. Rice, Kansas City, Kan., local agent, was elected president of the United States Building & Loan League at its meeting in Chicago. He has served the past year as vice-president. He is president of the Anchor Building & Loan Association.



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Whisky Once More Insurance Topic

(CONTINUED FROM PAGE 3)

There is more resistance to the importunities of brokers than there was right after repeal and various reforms have been made.

One of the troublesome questions in connection with the writing of whisky business has been the so-called market value clause. Pressure was brought upon the companies to permit the use of all sorts of clauses that would cut the pattern of the loss adjustment, beforehand, most advantageously to the assured.

Several years ago one brokerage firm sought persistently to get the companies to agree to a fixed valuation clause under which a definite value per barrel would be placed upon the insured liquor with a definite increase in value per year. This was virtually a valued policy and the companies did turn that one down.

One market value form that was rather commonly used on some big lines read as follows:

"In the event of loss on stock, this company agrees to pay on the basis of the inventory values, as established by the insured on their insurance books, not exceeding the market value; except stock which has been sold and/or stored for the account of the buyer, which shall be adjusted upon the price sold.

Covers Increase in Value

"In the adjustment of a loss on stock, sold and/or stored by the insured for the account of a buyer, this company agrees to also pay the increased value which has accrued from the date of sale to the date of loss, not exceeding the market value and not exceeding the insured's liability to the buyer."

At the instance of governing organizations, a market value form was devised, which is regarded today as more or less standard and is approved. It is quite similar to the clause used in the insurance of grain and some other products. It reads:

"In the event of loss of whisky, gin and/or other spirits, the basis of adjustment shall be the market value at the time and place of loss less all discounts and charges to which the property would have been subject had no loss occurred; on all other property insured hereunder, the basis of adjustment shall be the replacement cost at the time and place of loss."

It is understood that the policies covering the Glenmore Distilleries did not contain the standard market value clause but that an unorthodox provision was included and that the insurers at the time of the loss were actually seeking to have the clause amended.

All Assured Have Been Losers

The issue concerning the market value clause is not one primarily of moral hazard except in connection with operators of doubtful reputation. None of the liquor fires so far has had the slightest tinge of moral hazard. The assured have all been responsible concerns and the fires have all been accidental, indeed each one of the assured stood a considerable loss itself. Glenmore Distilleries will suffer a loss, because its buildings were not insured.

One danger in a market value clause that is designed by the assured and broker is that the insurance company may find itself in a position of agreeing to let the assured have a choice of price levels. For instance, there is supposed to have been one market value clause in which the basis of adjustment would be the market value at the time of the fire or at the time the adjustment was completed.

There seems to be a good deal of objection to the provision for paying for liquor that has been sold and stored for the account of the buyer upon the basis of the price sold. Most observers seem

to feel that this gives the assured an opportunity to impose upon the company rather seriously.

It is quite likely that as the result of the Glenmore Fire there will be a determined effort to eliminate all unorthodox market value clauses that may be in existence.

Recall Reutlinger's Crusade

It was quite a coincidence that Adolph Reutlinger of Louisville, president of the Liberty Fire, who controlled the Glenmore line, for the past several months has been conducting a crusade for a change in rates on whisky warehouses.

What he has been seeking is a decrease in rates for frame metal clad warehouses. He contended that the differential in rates between this class and the brick warehouse was too great. Being turned down in his request for a change by the Kentucky Actuarial Bureau, he submitted his complaint to the Kentucky insurance department. Just a few days before the Glenmore fire, he was in Chicago putting his case before some of the company executives.

Most of the buildings in the Glenmore plant that were involved in the fire were of the frame metal clad variety.

This incident, some observers say,

proves that the rating theories that are applicable to other classes are not applicable to whisky rates. There are very few small losses in whisky warehouses. Several years may elapse during which there are no losses to speak of. Yet when a loss does come, it is severe. In whisky there is bound to be big losses. A five-year span is probably not enough to judge the sufficiency of rates in connection with the whisky line. The companies must be permitted to build big reserves against the day when the big loss comes.

In the Glenmore plant the whisky

(CONTINUED ON PAGE 45)



WILL THEY FIND a small blaze easily extinguished? Or a roaring inferno, already beyond control?

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Illinois Agents Accomplished Much

Much Business Is Transacted at the Annual Convention

Association Votes to Clear Member Offices of Participating Carriers

By JAMES C. O'CONNOR

For two busy days the Illinois Association of Insurance Agents swung into high gear in its convention at Peoria. Important events occurred rapidly and in close succession. When the smoke had cleared away and the large attendance which severely taxed the facilities of the Pere Marquette and Jefferson Hotels had dispersed, the following major events stood out:

1. The constitution was revised, the three vice-presidents being replaced by one executive vice-president and the state divided into six districts, each represented by a regional vice-president. Several changes in standing committees were made at the same time.

Action as to Mutuals

2. The association resolved to drive all mutual representation out of its agencies, committing itself not to accept any future applicants who represent any carriers but stock companies and took steps to achieve this condition in present member agencies by Aug. 31, 1939.

3. Insurance Director Ernest Palmer of Illinois served notice on the agents, and every one else concerned, that acquisition costs must be reduced in Illinois, and that if the insurance interests cannot or will not keep commissions at a reasonable level, he will do it by law.

4. Shirley E. Moisant, Kankakee, after 29 years of service, retired as secretary-treasurer.

5. An advisory committee, consisting of past presidents and national councilors, with the immediate past chairman of the board as chairman, was created.

The position of executive vice-president will be filled by H. H. Monier, Champaign, who is thereby put in line for the presidency next year. William

(CONTINUED ON PAGE 43)

Recent Developments Are Discussed by Forshay

R. W. Forshay of Anita, Ia., member of the executive committee of the National Association of Insurance Agents, and chairman of its rural agents committee, represented the parent body at Peoria meeting of Illinois agents. He discussed a few developments that he thinks will unquestionably have a marked effect on the future well being of agents and the companies which adhere to the American agency system. He said that all realize that the HOLC insurance accounts came to the agents only by virtue of some herculean effort on part of the national body. In the middle west agents have been able to write considerable grain insurance because the companies were alert to the situation. Considerable has been said about certain projects of the U. S. Housing Authority while recently the mistaken idea arose that the local housing authorities were not permitted to place insurance through local agents in the various localities where the projects are situated. The F. H. A., he said, expects its borrowers to furnish their own policies. More rural electrification coverage is being placed through agency channels and an additional and sizable volume could be placed if the agents would take advantage of the facilities that the National association has arranged in supplying necessary information.

Sees Other Side of the Picture

On the other side of the ledger, he enumerated a somewhat unhappy picture wherein the bulk of the business is being placed through large central offices with non-agency or non-commission paying pools.

All business of the Resettlement Administration has been placed with a non-commissioned paying group of mutuals. Much of the Federal Land Bank business is conducted along a self insurance plan.

The one government endeavor interesting to rural agents, he said, is the Federal Crop Insurance Corporation. Mr. Forshay said that all are in partnership in a federal organization which decided that the need for an all-risk guaranty to the farmer on his wheat and eventually on corn, cotton and probably other commodities should be made available and it has been termed, he said, "insurance."

Mr. Forshay was at the Kansas

agents meeting when he was greatly interested in the discussion that took place regarding the failure of the Sowers Plan Crop Insurance Mutual. Commissioner Hobbs, he said, devoted almost all his address to pleading for laws that would enable him to protect what might be called innocent purchasers of this type of coverage which intelligent executives declared was ratably unsound. Agents that are writing hail insurance, he said, can well ask the question as to what may happen in the future.

Agriculture, he said, must profit and expand if other businesses are to be prosperous. The writing of farm insurance, Mr. Forshay asserted, always has been and always will continue to be of a highly personalized nature coupled with soundness of good judgment, the ablest of selling fundamentals and right now faced with the challenge of keeping a rather dangerously high loss ratio in line with the many added benefits that have accrued to the farmer as a result of the farm contract being broadened.

State Farm Fire Experience

Mr. Forshay referred to the retirement of the State Farm Fire of Bloomington, Ill., from the farm field, saying that it had attempted to underwrite farm business using different methods than had been tried and tested and even to the point of paying a greatly reduced commission. The general outcome of its operations, he said, had been predicted by agents and executives who were students of the farm business.

Mr. Forshay said that the Farm Underwriters Association has been very helpful and will continue to be so as long as the agents do not lose their courage.

One of the most important problems facing the organized agents, Mr. Forshay thinks, is the careful and deliberate study that must be made by all concerned in bringing out of chaos the present situation relative to agency licensing laws.

Mr. Forshay referred to the casualty situation. This branch of the industry has grown by leaps and bounds in a short period and that very condition, he said, has incalculable problems of a grievous nature.

Mr. Forshay expressed his high appreciation of the Business Development

(CONTINUED ON PAGE 45)

Busy Sessions Mark the Program of the Local Agents Rally

Heavy Agenda Required Fast Moving—Many Speakers Were Heard

OFFICERS ELECTED

President—William H. Jennings, Jr., Rockford.

Chairman of the Board—W. Herbert Stewart, Chicago.

Executive Vice-president — H. H. Monier, Champaign.

Secretary—Mrs. Lillian L. Herring, Chicago.

Treasurer—D. V. Moody, Elgin.

National Councillor—P. B. Hosmer, Chicago.

The grand ballroom of the Pere Marquette Hotel at Peoria was filled to capacity when President W. H. Jennings of the Illinois Association of Insurance Agents sounded the gavel for the opening session Wednesday afternoon. R. W. Forshay, Anita, Ia., was a featured speaker at this session, in company with W. D. Forsyth, Springfield, of the automobile department of the secretary of state's office, who spoke on the new financial responsibility and driver's license laws, and F. W. Potter, Hartford, field supervisor, Aetna Casualty, who spoke on "Basic Principles for Successful Selling." Mr. Jennings gave his annual report and the Aetna Casualty's educational film, "Word Magic," was shown.

Because of the limited capacity of the room, in which the annual banquet was also held, sale of tickets was completely closed at 5 p. m. Mr. Jennings presided at the banquet, but turned the gavel over to E. D. Lawson, manager western department, Fireman's Fund, who attracted considerable attention and approbation by using a clothing store dummy as a substitute toastmaster. Featured speakers were Insurance Director Ernest Palmer, Vincent Cullen, New York, president National Surety, and Clarence W. Heyl, prominent

(CONTINUED ON PAGE 45)



W. H. JENNINGS, JR., Rockford
President



H. H. MONIER, Champaign
Executive Vice-President



W. HERBERT STEWART, Chicago
Chairman of the Board



PHILIP B. HOSMER, Chicago
National Councillor

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SHIRLEY E. MOISANT Editor and Publisher
KANKAKEE, ILLINOIS

Automobile Report by Montgomery at Agents Meeting

C. J. Montgomery of Rock Island, chairman of the automobile committee of the Illinois Association of Insurance Agents, in his report referred to the Illinois drivers' license law and financial responsibility act, describing the main provisions of each. He said that much interest is taken in the profound study that the Illinois insurance department is making on automobile finance business. The practice very prevalent, Mr. Montgomery says, seems to be to lump the insurance charge with the finance and other charges so that the purchaser does not know what he is paying for his insurance. The National Association of Insurance Agents took the position that every policyholder is entitled to a certificate giving definite information. There should be no flat rate and the insurance part of the transaction should be stated. Continuing further, Mr. Montgomery, in his report, said:

Recommendation Made

"Your committee has had a hearing with Director Palmer and it recommends that commission or brokerage on this type of business should not be paid to finance companies or automobile dealers. Their profits should come out of the financing of cars and not out of the insurance on these cars. This deprives the legitimate agents of this type of business. We believe that all insurance commissions should go to local agents. We also feel that no individual motor car dealer or salesman should be licensed as a broker or agent in order to write this class of business. At the present time there is no way to eliminate such agents, including motor car dealers and motor car salesmen, provided they can pass the necessary qualification examination. We feel that, if in a new qualification law such agents or brokers could be eliminated, it would be a solution of the acquisition cost on this problem.

Alternative Suggestion

"Now in the event it would be impossible to eliminate, through this suggestion, the finance companies and their employees, or the automobile dealers and their employees, from securing licenses, then a proper provision should be made in fixing the acquisition cost so that such business as may clear through agents may have a differential at such a point that the supervising agent, through whom this business clears, should have at least a 10 percent overwriting commission.

"Our association or committee is strongly in favor of the first suggestion but, assuming we may be unable to do this, we want the acquisition to the finance companies or dealers fixed so that the supervising agent may receive not less than 10 percent.

"The safe driver reward plan has created an amazing upheaval in underwriting circles. Sooner or later it was inevitable that the Bureau would depart from its static position. The Bureau companies for the past few years have been standing still or progressing at a pedestrian pace in the automobile field, while numerous mutual companies, several specialty companies and a few non-bureau multiple line casualty companies have been making phenomenal gains.

Safe Driver Reward Plan

"Agents and brokers have not been holding the line for the Bureau companies and have been freely utilizing the outside market and the emphasis has increasingly been put on cost competition. With the safe driver reward plan the Bureau became an uncertain quantity so far as the non-bureau companies were concerned. The competitive situation has been decidedly changed. Those companies that have been deviating in rates were forced to reconsider their

Regional Vice-President of Illinois Body



LYLE H. GIFT, Peoria

program in the light of the Bureau's important move.

"There is a divided opinion as to the ultimate success of this new plan. We find that some agents seem to be for the proposition while many are apparently against it. Some agents report a great amount of new business written through the use of this particular plan. Apparently a unanimous decision on the question has not been attained, as numerous company men, even members of the Bureau companies, do not appear to be in hearty accord with the plan. Time will tell and it will be necessary for at least the first year's experience to be promulgated before a satisfactory conclusion can be reached."

Standing Committee Heads Are Directors

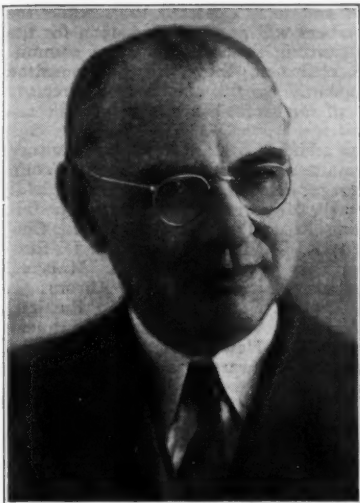
The following chairmen of standing committees were elected at the convention of the Illinois Association of Insurance Agents and, together with the officers, will constitute the board of directors: Budget and finance, J. J. Beattie, Rockford; rural agents, Ray Bastian, Hincley; legislative, Frank Smith, Urbana; education and public relations, Wade Fetzer, Jr., Chicago; public business, W. P. Brown, Peoria; casualty and surety, N. M. Winters, Quincy; grievance, Harold Schoen, Elmhurst; fire and accident prevention, S. A. Rothermel, Chicago; fire, marine and automobile, C. J. Montgomery, Rock Island; forms and rules, Cecil Thomas, Springfield.

Executive Vice-president H. H. Monier, under the new constitution, automatically becomes chairman of the local board and membership committees. The regional vice-presidents constitute the membership of these two committees.

In addition to the advisory committee, the public business and forms and rules committees were added to the list of standing committees by the constitutional amendment. The public business committee had existed for about a year unofficially. The name of the farm committee was changed to the rural agents committee, the public relations to educational and public relations and the automobile committee is now called the fire, marine and automobile committee, with its scope of activity enlarged to this extent.

J. E. Crossland, Peoria branch manager, established headquarters for the General Accident, assisted by E. L. Carbon, underwriter, and J. E. Sheahan, claims attorney.

Retires from Office After Long Service



SHIRLEY E. MOISANT, Kankakee, Ill.

Shirley E. Moisant of Kankakee, Ill., perennial secretary-treasurer of the Illinois Association of Insurance Agents, retires from office, being succeeded by Mrs. Lillian L. Herring of Chicago, who has served as executive secretary. Mr. Moisant has been secretary for 29 years. He did leave that office at one time and became president. The late J. A. Giberson served as secretary for two years, but Mr. Moisant bounced back into the arena again and the mantle of secretary was thrown about him. In days gone by he was the ne plus ultra of the Illinois association. He assumed the responsibility for getting up the programs for the annual meetings and kept the machinery in motion. He became the best known local agent in the state. He attended almost all the national conventions and naturally never missed a state meeting. He is one of the oldest, if not the oldest state secretaries, in point of continuous service.

After Mr. Moisant had given his farewell report at the closing session, President W. H. Jennings, Jr., presented him with a large and attractive fountain pen desk set. On the base is engraved the good wishes of the Illinois Association of Insurance Agents. The set holds two pens, each black with a gold band, and on each gold band is engraved a replica of Mr. Moisant's signature.

The new constitution of the Illinois association divides the offices of secretary and treasurer. D. V. Moody, Elgin, becomes the first treasurer under the new setup.

Mrs. L. L. Herring, the secretary, has been associated with the Illinois body since February, 1934. She has built up the Chicago office to a high degree of efficiency and service and her selection as secretary was a logical move, once Mr. Moisant's determination to retire became known. She holds a similar position for the Insurance Federation of Illinois, running a combined office smoothly and efficiently. Prior to her present work, she was a personnel manager for Remington-Rand Company and previously had worked in a number of insurance offices in Chicago. She thus acquired a background with respect to both insurance and to personalities, which has been invaluable to her and to the Illinois association.

A large delegation from the Aetna Casualty turned out to support F. W. Potter of the home office, who was a featured speaker. R. D. Hobson and D. K. Welsch, agency superintendents, came from Chicago, and Agency Superintendent R. N. Millar from St. Louis. Also present from Chicago were Special Agents P. E. Chunn, H. P. Gotti and Lawrence Apostolo. From the Chicago office of the Automobile of Hartford came A. J. Meyer, state agent, and E. V. Moran, special agent.

Illinois Divided in Six Districts, Each with Vice-president

The constitutional revisions of the Illinois Association of Insurance Agents adopted at the Peoria convention divide the state into six districts, from each of which a regional vice-president is chosen. Each regional vice-president is in charge of membership and local board activities in his bailiwick, the six regional vice-presidents constituting the membership and local board committees, with the executive vice-president as chairman of both committees.

District No. 1 consists of Cook county, with H. E. Reeves, Chicago, regional vice-president. D. P. Frazier, Aurora, is vice-president of district No. 2, consisting of all counties in the northern tip of the state, except Cook and Will, and going as far south as Whiteside, Lee, La Salle and Grundy counties. District No. 3 is described as central western Illinois, consisting of Rock Island, Henry, Bureau, Mercer, Henderson, Warren, Knox, Stark, Marshall, Putnam, Peoria, Woodford, Hancock, McDonough, Fulton, Tazewell and McLean counties. L. H. Gift, Peoria, is regional vice-president of this district. District No. 4 runs south from Chicago, as far as Cumberland and Clark counties and as far west as Moultrie, Piatt, Ford and Livingston counties. J. L. Gover, Mattoon, heads this district. R. L. Weller, Springfield, is regional vice-president of District No. 5, which runs west from district No. 4 to the Mississippi river and south from district No. 3 to and including Calhoun, Jersey, Macoupin, Montgomery and Shelby counties. The remainder of the state, which includes Madison, Bond, Fayette, Effingham, Jasper and Crawford counties, and all counties south, constitutes district No. 6, the largest in the state. D. L. Giberson, Alton, is regional vice-president for this district.

In addition to handling membership and local board activities in these districts, the regional vice-presidents are expected to hold meetings as often as may be advisable and to pursue and encourage other activities. Mr. Giberson has already announced that he will call a regional meeting in district No. 6 within the next few weeks.

Membership Applications Come as a Surprise

A surprise campaign by the Peoria Insurance Agents Association put membership in the Illinois Association of Insurance Agents at a high point of 512. After Retiring Secretary S. E. Moisant had reported membership at 504, D. F. Giberson, Alton, chairman membership committee, was called upon to give his report. In the midst of his report, he called upon W. P. Brown, vice-president Peoria Board, who told about this drive and presented President Jennings with eight new applications as a personal tribute to him. It came as a complete surprise and made a profound impression on Mr. Jennings. Mr. Giberson announced that he and several other members of the Illinois membership committee would meet in Chicago with National Membership Chairman J. M. Crosby, Jr., Grand Rapids, Mich., shortly after the convention, to work out plans for coordinated membership activity.

Retiring Secretary-Treasurer S. E. Moisant gave a splendid farewell report. All bills were paid and the association had \$556 on hand. Membership had climbed from 467 to 488 at the close of the fiscal year in August and was up to 504 at the time he made his report. A few minutes after his report, the eight new members secured by the Peoria Board were inducted, making 512. Having been at the helm through many stormy and discouraging years, it must have been a great pleasure to Mr. Moisant to be able to retire under such favorable circumstances.

Greetings to the

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—and congratulations for the splendid
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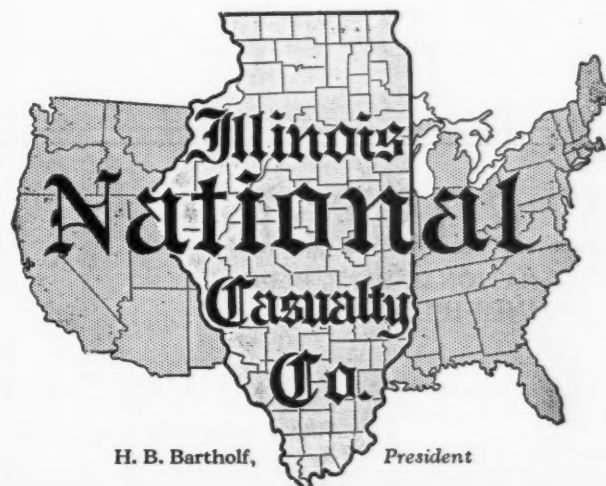
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Advisory Committee Is Now Constituted



ALVIN S. KEYS

Alvin S. Keys, Springfield, past president and immediate past chairman of the board, will be chairman of the new advisory committee created by the constitutional revisions of the Illinois Association of Insurance Agents. This committee will be composed of all living past presidents and past national councillors who are members in good standing, with the retiring chairman of the board automatically becoming chairman of the committee, and a member of the board of directors.

Creation of this committee was hailed by many observers as one of the most progressive steps taken at the Peoria convention. It is regarded as tending to solve the problem which bothers practically all associations, how to preserve for the organization the benefit of the ability and experience of former presidents. After a man has served one or two terms as president or national councillor, or both, and then is chairman of the board, which service is usually preceded by several years of yeoman work on committees, he naturally wants a little respite from arduous work and a chance to pay some attention to his own insurance business.

No Official Standing

While past presidents of the Illinois association and others have nearly always been generous in their willingness to assist in every way possible, up to now there has been no way in which they could have an official standing,

without becoming committee chairmen. Directors of the Illinois association consist of the officers and chairmen of the standing committees. The advisory committee appears to answer this problem and it is expected that, while the members will not be called upon for the unremitting service required of committee chairmen, they will be consulted frequently by the officers and directors on all important matters before the association.

In addition to Mr. Keys, the advisory committee consists of Allan I. Wolff, Chicago; R. W. Troxell, Springfield; Lyman M. Drake, Chicago; F. J. Budelier, Rock Island; C. S. Pellet, Chicago; R. F. Streuver, Peru; S. D. Sexton, East St. Louis; S. E. Moisant, Kankakee; N. W. Tomblin, Aurora; G. N. Taylor, Streator; W. A. Bartlett, Galesburg; A. J. Anderson, Kewanee; and J. M. Newburger, Chicago. W. Herbert Stewart, Chicago, present chairman of the board, is next in line to become chairman of the advisory committee.

Illinois Convention Pickups

Osborne Shephard, vice-president, and Harold Petersen, Bloomington, state agent, conducted headquarters for **Motor Vehicle Casualty**.

Louis Bond, city attorney of Peoria, greeted the convention in the absence of Mayor McClugage. Allan I. Wolff, Chicago, responded.

North British headquarters were in charge of W. F. Sweazea, Chicago manager, assisted by E. F. Schneider, assistant manager, Chicago. W. R. Kirk, agency superintendent; E. C. Hauser, Milwaukee, engineer; E. W. Walker, state agent; E. R. Conour, state agent, L. G. Sylvester, brokerage superintendent; A. E. Lehman, automobile superintendent; R. G. Tanger, inland marine superintendent; F. B. Ingledew, J. J. Flood and G. W. Nelson, special agents. The company distributed pencils which were slipped through the buttonholes of visitors and which contained a warning that seven years had luck would follow removing them by breaking or cutting the string. They could be removed without this, but the task required some ingenuity.

The **American of Newark** was represented by Vice-president L. E. Falls of the home office. From the western department at Rockford came F. D. Hess, assistant manager; J. B. Andrews, superintendent special risks department, and E. B. Heffran, state agent.

The **resolutions committee** was headed by W. M. Sheldon, Chicago, and included A. S. Keys, Springfield, and E. J. Martin, Peoria.

Freeman Read, Chicago manager, and J. W. Henry, executive representative, New York, dispensed hospitality for the **Globe Indemnity**. E. I. Flery, Chicago manager, and John Murphy, special agent, were present for the **Royal Indemnity**.

Lawson-Palmer Battle of Wits

When it became known that E. D. Lawson, western manager Fireman's Fund, would be toastmaster, and Ernest Palmer, director of insurance, would be a featured speaker, every one expected a battle of wits between these two capable wielders of post-prandial humor. No one was disappointed, most of the sallies revolving around Mr. Lawson's dummy dressed in dinner clothes and described as the "perfect toastmaster."

Two Dummies at Work

Mr. Lawson presented the dummy as "a model man; he does not drink; he does not smoke; he has proved quite economical to the Illinois association that it was not necessary to provide him with a free banquet ticket because he did not eat." Mr. Lawson then introduced the speakers by holding up placards on which their names were printed.

Mr. Palmer began his talk by stating that he has been around the insurance

Chautauqua considerably and sometimes has been introduced by a dummy, but never before had he had two dummies working on him at once. Before the laughter had gotten a good start, Mr. Lawson countered by brandishing a large card marked "no applause."

At the conclusion of the banquet, Mr. Lawson remarked that Mr. Palmer had spoken from his place at the speaker's table, whereas Messrs. Cullen and Heyl had come up to the center, suggesting that perhaps Mr. Palmer was afraid some of the new Republican legislators might see how he compared with a dummy. He punctuated this by waving a placard marked "Applause."

Before launching into the subject of commissions, Mr. Palmer stated that he understands a new company has been organized by the "Paramount moving picture studios in Hollywood" and that the company "seems to have certain sound effects, but, up to date, mostly raspberries."

Sidelights on Illinois Agents Convention

While the Pere Marquette Hotel was the official headquarters of the Illinois Association of Insurance Agents convention at Peoria, the large registration made it necessary for many to stay at the Jefferson, about two blocks away. Some late registrants were pushed out to smaller outlying hotels. The situation was particularly complicated on the Tuesday night before the meeting opened, by the fact that the local traffic association was holding a banquet at the Pere Marquette, with a large number of visiting railroad and truck men. Many of the field men stayed at the Jefferson and the Blue Goose party there made this hotel the center of insurance activities on Tuesday. By Wednesday the traffic men had checked out, it was much easier to get a room at the Pere Marquette and from then on that hotel was the headquarters in fact as well as in name. Several insurance companies had open houses at the Jefferson, but the majority managed to get into the Pere Marquette.

F. W. Potter, Hartford, field supervisor Aetna Casualty, is an intense and enthusiastic speaker. He made a big hit with his audience, which followed him closely. Many people feared he would collapse as he worked up to the climax of various sales talks.

Lyle H. Gift, Peoria, long a stalwart in the Illinois association, won the praise of all for his splendid handling of the convention. No convention committees were officially announced, and when anybody wanted anything, he turned to Mr. Gift. It was a difficult job, but somehow or other everything went smoothly.

Mrs. L. H. Gift, Peoria, was in charge of women's events. She conducted a dinner on Tuesday night and a bridge luncheon on Wednesday. About 25 women attended these events.

The Hartford group maintained an elaborate and popular headquarters in charge of James Morrissey, associate general agent Hartford Fire, J. C. Hyde, manager Hartford Accident, and Dr. W. H. Timmons, general manager Hartford Live Stock. C. N. Dubach, Chicago, accident and health superintendent of the casualty company, presented guests with canes appropriately marked with stickers commemorating the 25th anniversary of his company and the need for accident insurance. Also representing the fire companies were Arthur Johnson, Chicago, assistant farm manager, H. M. Nelson, superintendent survey department, A. J. Fischer, production manager, J. W. Burden, manager automobile department, F. W. Sundlof, special agent, who was one of the featured speakers at the rural agents' breakfast, and F. W. Linihan, farm special agent. R. S. Swan, Peoria manager Hartford Accident, was also in attendance.

J. J. Ferguson, assistant manager, and J. P. Fellows, special agent, were on hand to assist E. D. Lawson, western manager and banquet toastmaster, in representing the Fireman's Fund group.

Firemen's of Newark group headquarters were in charge of L. W. Brown, second vice-president, and J. L. Hon, state agent for the fire companies, and W. J. Whiteside, assistant secretary, Metropolitan Casualty and Commercial Casualty.

Headquarters for the Utilities of St. Louis were maintained by C. M. Weller

Prominent Surety Executive Speaks



VINCENT CULLEN, New York

President Vincent Cullen of the National Surety, who has appeared recently before state associations, was a leading speaker at the banquet of the Illinois Association of Insurance Agents.

and L. S. Augsburg, Rockford general agents.

While a large contingent of conventioners filled the afternoon "Rocket" to Chicago, a number stayed over to take in tours through the Premier-Pabst brewery and the Hiram Walker distillery, following the close of the convention session.

A. J. Browning, Chicago, manager Car & General, was on hand.

The buffet lunch which has become an established and popular feature of Home of New York headquarters, was again in evidence. Leonard Peterson, secretary, New York, represented the home office. The Chicago department was represented by S. E. Wherry, T. K. Paffin, managers service department, and A. H. Knight, state agent. R. J. Harmon, associate state agent, Springfield, and L. R. Choate, special agent in charge of the Peoria branch office, were also on hand.

R. S. Danforth, assistant secretary, and J. T. Harding, special agent, both of Chicago, represented the Millers National.

Federal District Judge Leroy Adair of the southern district of Illinois, was introduced at the banquet.

The nominating committee consisted of Casper Brown, Springfield, chairman, Cory Nicholson, Decatur, and Earl Turbox, Moline.

The usual spiral bound memorandum books of the Royal-Liverpool group proved a welcome convention gift.

W. D. Forsyth, Springfield, general supervisor automobile department of the secretary of state's office, made an outstanding hit in his address. He is a former insurance man, having been an agent for the Penn Mutual Life while a student in Champaign, his home town. His pleasing personality and his fund of information, combined with a willingness to answer questions, gave every one a decidedly good impression of the way his department will handle enforcement of the financial responsibility and drivers license laws.

Buttressing Superintendent Ernest Palmer were R. T. Nelson, chief deputy, H. A. Miller, special deputy, J. O. Brown,

license supervisor, and H. M. Murray, special deputy, all of the state insurance department.

Pacific National headquarters were in charge of C. W. Ade, Chicago manager and assistant western manager.

Bituminous Casualty was represented by L. A. Kern, agency manager, and W. H. Froehner, special agent, both of the home office at Rock Island.

C. C. Luce, Peoria manager Retail Credit Company, was on hand throughout the convention.

G. C. Classen, assistant secretary Great American, Chicago, greeted his friends.

As usual, Corroon & Reynolds headquarters attracted a large crowd. From the home office at New York came D. E. Chilcote, secretary. W. T. Funkhouser and F. B. Smith, general agents, Spring-

field, presided, assisted by G. D. Moore, special agent.

An innovation this year consisted of charging a registration fee of \$3, which included a ticket to the banquet and admission to all convention functions. The large crowd sorely taxed the banquet room and made it necessary to restrict attendance to registrants and their wives.

The invocation was delivered by Rev. Robert H. Clark, of the Union Congregational Church of Peoria and American Legion chaplain.

John Chickering, agency superintendent, Chicago, and L. C. Peterson, state agent, represented the Sun.

Popular headquarters of the Standard Accident were in charge of V. H. Bartholomew, Chicago, vice-president. Also

(CONTINUED ON LAST PAGE)

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HENRY F. TUERK
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OBSERVATION SHOWS
THAT MANY PERSONS
ARE CONSCIOUSLY
CAREFUL UNTIL IT
BECOMES A QUITE
AUTOMATIC AND
INVOLUNTARY HABIT

IT'S WELL WORTH
WHILE TO LEARN
A HABIT THAT MAY
SAVE A LIFE

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CAREFUL"

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The NATIONAL UNDERWRITER

November 24, 1938

CASUALTY AND SURETY SECTION

Page Twenty-five

Many Insurance Angles to Chicago Subway

Unusual Bond Provision; Contractor Must Buy \$500,000 P. D. Contract

The specifications for section 1 of the Chicago-PWA subway contain numerous requirements in respect of liability insurance and surety bonds. Bids for this section are to be opened Dec. 1. Surety men say that so far no indication has appeared of coercion in the placing of surety bonds and insurance, and that the contractors apparently are free to make arrangements with their favorite agents and brokers.

Joshua D'Esposito has been designated as the chief engineer representing the federal government. D'Esposito held the same sort of position in connection with work done by the Sanitary District of Chicago in which the federal government was interested. In connection with that work there was no coercion of insurance or surety bonds and word has got around that D'Esposito will not tolerate coercion in connection with the subway project.

Unprecedented Provision

One provision in the specifications is said to be unprecedented and there is much speculation as to its significance. This requires the contractor to set forth in his bid the price that he is paying for the contract bond.

This is the provision: "Each bidder is required to include in his proposal in the appropriate place therein indicated the amount which will be deducted from the base bid in the event the owner (the city) should determine to pay the premium on the performance bond which the successful bidder is required to furnish. If the owner should accept such deductive alternate No. 1, the award, if made, will be made to the responsible bidder whose base bid less the amount of the deductive alternate is the lowest bid submitted."

Purpose of Provision

Just what the purpose of this unusual provision may be is uncertain. Some venture the opinion that it was inserted because the government desires to know what the contractor is paying for his bond. Apparently it gives the government some leeway in making the award. That is if the bid of one contractor is lower than that of another merely because he is getting his contract bond for a lesser price, then the government might exercise the privilege of giving the award to the contractor whose quotation was higher and let the city pay the premium on the performance bond.

It is an unusual provision and at first glance some saw in it a possibility that

(CONTINUED ON PAGE 35)

Casualty Actuarial Body Hears Important Papers

E. C. Lunt Treats Theory of Rate Making in Fidelity-Surety

NEW YORK—While the paper of E. C. Lunt, vice-president Great American Indemnity, at the meeting of the Casualty Actuarial Society went into much detail in the various phases of surety rate making, he said that the conclusions implicit in his discussion or fairly inferable from it may be stated as follows:

"a. Suretyship is not insurance, and should not be treated for rate-making purposes as if it were. This general statement, however, is subject to the broad qualifications outlined below.

"b. In many types of bonds the chief determinant of the rate is the value of the service rendered by the bonding company in furnishing the suretyship. Breaches of the bond referred to are not expected, and no attempt is made in rating them to accumulate a premium fund for loss-payment purposes. Some kinds of license bonds, most kinds of custom-house bonds, grain warehouse bonds furnished by very large concerns to rigidly supervised boards of trade, and lost-instrument bonds may be cited as falling within this classification.

No Provision for Loss Absorption

"c. In many types of bonds the chief determinant of the rate is, again, the value of the service rendered by the surety company. In these cases breaches of the bond are expected—are virtually assumed, indeed, for underwriting purposes; but the certainty of numerous bond breaches is ignored by the rate-maker, and the premium prescribed makes no provision for loss absorption. It is assumed by the bureau that underwriters will care for loss contingencies otherwise than through premium revenue. Appeal and similar judicial bonds are cases in point.

"d. While the service-charge theory of rate-making is controlling in the two classes of bonds just referred to, other considerations affect the rate to some extent—acquisition costs; taxes; expense incurred in supervising risks, procuring termination evidence, adjusting claims, etc.; a modicum of profit.

"e. In many types of bonds the chief determinant of the rate is the experience of the surety companies in the given case—actual underwriting results over a term of years. Only one of the four possible barriers against loss that safeguard surety companies is available here—the premium fund; and such a rate is prescribed as will not only cover the items referred to in the preceding paragraph, but will also provide for the inevitable and foreseen losses. In other words the bonds in question are written on a quasi-insurance basis and are rated very much as if they were ordinary insurance policies. Numerous examples of bonds falling within this classification may be found in the 'license and permit' branch of the business. The minimum annual premiums and minimum earned premiums prescribed for license and

(CONTINUED ON PAGE 35)

G. F. Michelbacher Warns of Danger in Superficial Statistical Conclusions

NEW YORK—Some good advice on how agents and other non-actuaries can avoid getting bogged down by statistics was offered at the annual meeting of the Casualty Actuarial Society by G. F. Michelbacher, vice-president and secretary Great American Indemnity.

Vice-president E. C. Lunt of the same company presented a comprehensive paper entitled "Surety Rate Making—An Approach to the Subject." Others who presented papers were Barbara H. Woodward, examiner New York department; F. S. Perryman, secretary Royal Indemnity, and J. W. Ainley, Travelers.

The presidential address of L. S. Senior, general manager New York Compensation Insurance Rating Board, is summarized elsewhere in this issue.

Officers Elected

The society elected Mr. Perryman president; H. T. Barber, Travelers, and W. J. Constable, Lumbermen's Mutual Casualty (Philadelphia office), vice-presidents; Richard Fondiller, consulting actuary, New York City, secretary-treasurer; C. W. Hobbs, National Council on Compensation Insurance, editor, and T. O. Carlson, National Bureau of Casualty & Surety Underwriters, librarian. The three latter were reelected. President Senior mentioned that it was the twentieth time that Mr. Fondiller had been elected secretary-treasurer.

New members of the society's council will include J. M. Cahill, New York Compensation Rating Board; R. V. Sinnott, Hartford Accident; Emma C. Maycrink, New York department, and Mark Kormes, New York State Fund.

In his paper on statistical pitfalls, Mr. Michelbacher explained how agents and others could draw some extremely erroneous conclusions about a company's operations if they confused statistics based on a policy year basis with those of a calendar year basis, although both methods have an important place.

Uses of Both Methods

"The policy year method is best adapted to the preparation of agency experiences," Mr. Michelbacher pointed out, "but some carriers use the calendar year method for this purpose and an agent may have become familiar with calendar year experiences before he has an opportunity to analyze a policy year experience. In spite of explanations accompanying a policy year exhibit, the agent usually will have difficulty in interpreting the experience. . . .

"Naturally, the agent will desire to check the carrier's record against his own data. The carrier exhibit shows written premiums; are these premiums comparable with premiums on his books? He has before him, let us say, an experience compiled as of Dec. 31, 1937, by policy years, terminating with 1937. He consults his accounts current to see what premiums he wrote for the carrier in 1937 and he discovers to his

(CONTINUED ON PAGE 44)

Takes Current Look at Financial Responsibility Law

H. D. Brown Gives Report at American Auto Association Rally

Criticisms, advantages and conclusions regarding financial responsibility laws of different states were included in the report of the safety responsibility committee at the convention of the American Automobile Association at Cleveland. H. D. Brown, general attorney Detroit Automobile Inter-Insurance Exchange, is chairman of this committee.

The committee concludes that financial responsibility laws have been effective in the main, in spite of many obstacles and a number of administrative difficulties and recommends that motor clubs enter into active campaigns for adoption of laws in states which do not have them and for strengthening laws which do not meet the AAA standard, demanding adequate enforcement machinery and assisting in campaigns of public education so that the law will act as a deterrent to accidents and will be invoked whenever an automobile judgment is unpaid.

Refers to Illinois Law

The most important development of the year was the passage of the financial responsibility law in Illinois based upon the AAA model bill, making a total of 29 states, District of Columbia, Hawaii and all but one of the Canadian provinces having legislation of the financial responsibility type. The legislatures of Kentucky, New Jersey, New York and Rhode Island received compulsory automobile insurance bills and compulsory automobile compensation plans were introduced in Kentucky and Massachusetts, but no action was taken. Various compulsory insurance and compensation plans were submitted to the New York constitutional convention, but no provision was made. Taking note of the fact that agitation for some form of automobile accident compensation is certain to continue, Mr. Brown recommended that his committee study every phase of the problem of uncompensated automobile accident claims.

Criticisms of Laws

Discussing criticisms of financial responsibility laws, Mr. Brown grouped them under three headings: those directed at fundamental objectives, constitutional problems and administrative difficulties. Fundamental objectors maintain that financial responsibility laws only "lock the barn after the horse is stolen" and that they are directed at only a limited proportion of highway traffic, and hence, even if properly administered, can affect only a small part of the accident problem.

(CONTINUED ON PAGE 36)

Purpose to Destroy Accident and Health

J. R. Garrett Comments on State Insurance Bill Introduced in New York

NEW YORK—Terms of the bill which will be introduced at the next session of the New York legislature, now that state health insurance has been added to the constitution, are such that "there can be but one conclusion, namely, that it is the purpose of the proponents of this law to completely destroy the accident and health business in this state," J. R. Garrett, manager National Casualty, declared at the annual meeting of the New York City Accident & Health Club. Mr. Garrett is chairman of the club's committee on compulsory health insurance.

The bill which Mr. Garrett said Assemblyman Wagner will undoubtedly introduce at the next legislative session provides, he said, that persons not more than 65 years old in specified employments and earning on an average \$60 a week or less may come under the health insurance system voluntarily.

Covers Substantial Incomes

"If this scheme is for the benefit of the lower income group, why the concern for those earning \$60 per week—certainly a group well able to purchase this protection from existing plans?" Mr. Garrett asked.

"Declaring that the law's framers intend to destroy the accident and health business, Mr. Garrett declared that 'ours is a legitimate private enterprise which has earned and merits public approval.'"

"Why should it be destroyed? Will it end there or even stop with the wiping out of all branches of insurance? I am afraid not. To me, insurance is the opening wedge, the line of least resistance looking toward the socialization of all industry."

"What can we as a club do in this situation? Well, we can first of all educate our executives, perhaps busy with the problems, legislative and otherwise, of multiple lines, to the need for concerted and united effort. We can individually carry on a campaign of education—not propaganda—in our own immediate circles. We can supply current information to members of the assembly and senate who are known to us."

"There is a grave responsibility on the part of this club which will not be lifted until the adjournment of the legislature next May."

Officers elected are: President, H. M. George, United States Fidelity & Guaranty; vice-president in charge of arrangements, E. R. Achele, London & Lancashire Indemnity; vice-president in charge of education, W. T. Hammer, Commercial Casualty; vice-president in charge of membership, F. T. Curran, Continental Casualty; secretary, R. E. Ryan, Globe Indemnity; treasurer, J. J. Donohue, United States Casualty; assistant treasurer, M. I. Gurian, New Amsterdam Casualty. The club elected to the executive committee J. L. Ullman, W. L. Perrin & Son; Robert Pope, Employers Liability; and R. L. Hills, Great American Indemnity.

WORDING IS AMBIGUOUS

ALBANY—The New York voters authorized the state to establish by legislation a system of health insurance, to which the state may or may not contribute. The wording of the authorization in the constitution is so vague that a number of interpretations may be put on it. While the language of the constitution is permissive, the legislature may regard the permission as a mandate. It would be possible under any

Agency Committee Has Conference on Surety Commissions

NEW YORK—After discussing informally with representatives of the Association of Casualty & Surety Executives the broad subject of a model agency license law, a committee from the National Association of Casualty & Surety Agents conferred with the management and several officials of member companies of the acquisition cost conferences here on the question of commissions upon certain lines of surety bonds. No decision, it is understood, was reached, both agents and representatives of the carriers agreeing to explore the matter further.

C. C. Jones, Kansas City, president general agents body headed the delegation.

W. H. Stewart, Chicago, chairman surety committee National Association of Insurance Agents, hastened from the annual meeting of the Illinois agents at Peoria to join Mr. Jones' committee here.

Home Office School of U.S.F. & G. Graduates Class

BALTIMORE.—At the closing exercises of the home office school of the United States Fidelity & Guaranty, diplomas were presented by President E. Asbury Davis. First prize went to Mrs. Robert Watson of Geneva, Ill., with a mark of 98.9 percent and second to M. W. Redding, McMinnville, Ore., 98.7 percent.

Other graduates were: H. C. Allen, Jr., Rockland, Me.; E. F. Brown, Jr., Lake City, Fla.; Eleanor D. Doerfel, Hammonont, N. J.; David D. East, Trinidad, Colo.; C. F. Gerhardt, Neenah, Wis.; Harry Gilchrist, Toronto; C. S. Graff, Blairsville, Pa.; E. J. Hackett and J. G. Haessler, Milwaukee; Garrard Haines, Savannah, Ga.; W. E. Hall, Roanoke, Va.; T. C. R. Houston, Baltimore; E. E. Parrill, Pittsburgh; A. W. Pearsall, Jr., Baldwin, N. Y.; P. C. Reing, Mahanoy City, Pa.; William Schick, Jr., Packanack Lake, N. J.; R. E. Spence, Emporium, Pa.; Walter Wade, Niagara Falls, Ont.; Richard Warren, Walpole, Mass.; Robert Watson, Geneva, Ill.; L. B. Wood, Syracuse, N. Y.; J. L. Hunter, Baltimore.

Viscount Knollys in U. S.

NEW YORK—Viscount Knollys of London, managing director of the Employers Liability, and Lady Knollys arrived in New York City and were met by Edward C. Stone, U. S. manager, and other officials. Director Knollys has been in ill health for some time and it is understood he will make a visit to health resorts in the middle west for some weeks to recuperate.

system of health insurance to include among the beneficiaries all persons injured in motor vehicle accidents.

With both houses of the legislature Republican, the control of the joint legislative committee on motor vehicle insurance will now pass to the Republicans, and the affairs of the committee will probably be wound up. However, if motor vehicle compensation is not provided for through the medium of health insurance, it seems almost certain that some other form will be seriously considered.

The new insurance code is going to be pressed for passage by the superintendent and by the joint legislative committee. It has been intimated that the committee will also introduce the new code in several bills piecemeal with the idea of getting some of it enacted into law.

With a Republican legislature and a Democratic governor, the opponents of the code may have a better chance to be heard.

Mortensen Seeks Auto Rate Uniformity

Wisconsin Commissioner Has Parley with 50 Insurance Men

About 50 casualty company representatives gathered in Madison the other day for a conference with Commissioner Mortensen of Wisconsin, primarily to discuss the matter of automobile fleet rates. It was of an informal nature. Mr. Mortensen said that he had been dismayed by the fact that bids submitted by various companies for insurance coverage of automobile fleets differ sharply. For instance, the bids for the insurance on cars of the Wisconsin conservation commission ranged from \$3,000 to \$9,000.

Mr. Mortensen admitted that he did not have control over the rates. Apparently he wanted the companies to come to some sort of an understanding among themselves.

Back on Mortensen's Lap

After holding a morning and afternoon session, a motion prevailed to refer the problem back to Mr. Mortensen and let him suggest a course that should be followed.

Most of the morning session was consumed with a talk by A. E. Spottke of the National Bureau of Casualty & Surety Underwriters. He explained the rating procedure of the bureau. He voiced the belief that the deviating companies do not construct their own rates but merely quote a percentage of the bureau tariff. He suggested that the representatives of the deviating companies that were in attendance explain their rating procedure. None responded and Mr. Mortensen then took the names and company representation of each one in the room. He announced that in the afternoon each representative would be called upon to express an opinion. Such a diversity of views was expressed by those who answered the call, that it became obvious that the companies could not get together voluntarily on any sort of a program.

Mr. Mortensen apparently feels that these differences in quotations for auto fleets indicate that the automobile insurance situation in Wisconsin is somewhat chaotic. Two or three of the company men, when called upon, voiced the opinion that the situation as a matter of fact is satisfactory.

Rejected Risk Problem

The discussion got off on some other subjects during the day. For instance, Mr. Mortensen said he had been receiving complaints of inability of motorists to get insurance. He suggested that the companies put up some machinery for handling these so-called rejected risks. One of the company men replied that perhaps the authorities are giving licenses to persons who should not be permitted to drive.

L. J. Yaudes of the Wisconsin department gave a summary of the rating plans used in Wisconsin in connection with private passenger cars. The bureau companies are using the safe driver reward plan. Six companies are deviating 15 percent from bureau rates; two companies are deviating from 17½-20 percent. Two companies are deviating 20 percent in territory 1 and 10 percent elsewhere. Two companies are writing at 10 percent off but exact a debit if the policyholder is involved in an accident. Two companies are using 1936 rates with 15 percent off during the first year if there is no accident and 20 percent off the second year. These are the rating plans used by the main automobile writing companies in the state.

W. B. Calhoun of Milwaukee represented the Wisconsin Association of Insurance Agents at the powwow.

Committee Agrees on Countersignature

National Association of Casualty & Surety Agents Confers with Others

NEW YORK—Cliff C. Jones of Kansas City, president National Association of Casualty & Surety Agents, and his committee were in the city last week endeavoring to arrive at some agreement as to a model agency license law with special reference to countersignatures. There was considerable discussion but finally the conferees agreed on a program with five or six definite points enunciated. This seemed to them to be fair to all, the state, the non-resident agent controlling the business and the resident agent countersigning.

Harrington Met with Committee

Insurance Commissioner Harrington of Massachusetts was in New York City and he was called into conference, being regarded as particularly well informed because he was formerly an agent in Boston. He expressed his approval of the plan outlined with some changes.

The committee also visited Secretary W. H. Bennett of the National Association of Insurance Agents and laid before him the course decided on. Mr. Bennett has this matter up with his committee finding that there is at present some difference of opinion among agency leaders. He did say, however, that it might be possible to harmonize his forces in a couple of weeks' time and get some expression as to the position his association would take.

The committee then met with Assistant Manager Ray Murphy of the Association of Casualty & Surety Executives, who promised to lay the proposed measure before his directors and get their reaction. He made a few suggestions in the way of amendments.

The National Association of Casualty & Surety Agents committee now hopes to get the matter so well in hand that the subject can come up at the insurance commissioners' meeting in Des Moines.

Bennett Working on Draft

The committee men assured Mr. Bennett they were behind the local agents association 100 percent in its insistence against countersigning of policies by company salaried employees. When Mr. Bennett completes his draft of a model agency law, which it is expected will be within two weeks, Ray Murphy will take up the matter with the directors of the Executives Association. The viewpoint of the brokerage fraternity as to the questions under review was presented by H. W. Schaefer, president National Brokers' Association.

Conkling, Price & Webb to Celebrate Its 45th Year

Conkling, Price & Webb, well known general agents in Chicago, will celebrate the 45th anniversary of the founding of the firm by a dinner held Dec. 1. The original members of the firm were B. H. Conkling, Fred A. Price and George D. Webb. All these have now passed beyond the hills and Lew H. Webb, brother of George D., is the captain on the bridge. The firm has had remarkable success and is one of the best known in the country. James M. Haines of New York City, United States manager London Guarantee & Accident, and some of his associates will attend. Mr. Webb will preside. The attendants will be the men of the Chicago office, brokers and solicitors in the city and some of the more important agents in Illinois.

W. T. George, San Angelo, Tex., has sold his agency to his nephew, William George.

Cullen Upholds Stock Company Plan in Strong Address

National Surety President Defends Expense Rates of Agency Service

Mutual competition can be beaten, but the agents must do the fighting. The stock companies will help all they can, but their method of doing business is such that they cannot carry the fight directly. This was the message of Vincent Cullen, New York, president National Surety, at the banquet of the convention of the Illinois Association of Insurance Agents in Peoria.

In his usual quiet, effective way, Mr. Cullen went into the loss and expense figures of mutuals and stock companies writing fidelity, surety, burglary and plate glass in New York. Characteristically, he failed to quake when his conclusions differed from those of Superintendent Ernest Palmer of Illinois, whose blasts on acquisition costs had preceded Mr. Cullen's talk. Mr. Cullen's speech made a powerful impression on his audience.

Mutuals Not More Economical

Striking squarely at the oft-quoted remark that mutuals handle business more cheaply than stock companies, Mr. Cullen recited figures indicating that the cost of administration on the different lines mentioned is substantially the same, although mutuals in New York pay a 2 percent tax, whereas stock companies pay 3.4 percent. This, Mr. Cullen continued, is in spite of the fact that mutuals keep away from expensive surety bonds, which require a large and fully equipped field force. The only difference in cost, maintained Mr. Cullen, is the agent's commission. The average commission on the lines which his company writes is 22.5 percent and the average mutual dividend is 20 percent.

Service of the Agents

The obvious answer is to sell the services of the agent and of the agent's companies. Stock companies created the business with the able assistance of their agents and now the mutuals are trying to take the cream of it. Differing politely but decisively from Mr. Palmer, Mr. Cullen maintained that should the mutuals succeed in acquiring the major part of the business, their cost of handling this business would necessarily grow to a point as great as the stock companies. If they did not pay a commission to agents, they would have to hire capable men to solicit and serve it, which would entail an equal expense.

Upholds Loss Prevention Cost

Mr. Cullen also declared that he is able and willing to defend a higher expense ratio than the stock companies now incur. "Many people and some commissioners," he maintained, "do not appreciate the expense of preventing losses by inspections and similar work. It is far better for the companies and for assured to have large expense and little loss."

Mr. Cullen made it clear, however, that he was not defending an exorbitant acquisition cost. He admitted that the Illinois situation is bad and expressed the hope that it would be remedied, as was done in New York in 1925.

Yorkshire Indemnity has been licensed in Virginia.

Experience Rating on Road to Reform

Senior Declares Process Should Not Be Entirely Mathematical Formulae

NEW YORK—Experience rating is on the road to reform but the process of reformation should not be left entirely in the hands of mathematicians, General Manager L. S. Senior of the New York compensation insurance rating board said in his presidential address before the Casualty Actuarial Society. Mathematical formulas, he pointed out, take no account of stability and responsiveness.

"These elements are of great importance to men who come in direct contact with the public and watch their reactions," he declared. "We shall need their carefully considered opinions for any necessary changes in limiting or extending the swing of the plan, in lengthening or shortening the time period, in weighting the data on the basis of age, and in the formulation of administrative rules which give life and substance to the operation of the plan in practice."

"A change in the formula will not be sufficient to bring about complete reformation of experience rating. There is need for a thorough study of the procedure involved in the application of the formula to particular cases. A large share of the difficulties arising in experience rating are concerned with the rules of practice. To bring about a more perfect plan, it is therefore essential not only to study the theory, but also to examine the methods under which the theory is applied in practice. Theoretical discussions developed in the process of a priori reasoning may prove wholly unworkable in practice where the human element comes into play. In reconciling theory with practice, we must be careful to avoid inconsistencies that may result in confusion."

"In applying the theory to an individual case, we must obtain factual knowledge and interpret the facts in a way to make them consistent with the theory. Facts are the raw material from which practical men evolve the finished product. Misinterpretation of the facts may lead to disastrous results. To be specific: We must ascertain that the risk has been correctly classified and that the classification to which the risk has been assigned carries an average rate determined on a sound statistical basis as representing the large bulk of risks under observation. An error in the classification of the risk will produce the wrong answer not only insofar as the individual risk is concerned, but will also serve to distort the experience of the classification to which the risk has been assigned, and of the classification to which it should have been assigned."

"In the process of translating the theory of experience rating into practice, the underwriter must satisfy himself on the following points: (1) Is the risk large enough to qualify? (2) Does the history of the experience meet the rule on time elements? (3) Has the assured clear title to the experience? (4) Is the risk properly classified? (5) Has the payroll been correctly audited? (6) Have the losses been valued in accordance with the standard method? And finally, the result of the calculation reflected in the rates must be presented in convincing form to the policyholder. The presentation should be made in concise popular language, avoiding complicated terms."

The Baird Insurance Agency has purchased the Huffman Insurance Agency, Edison, O., operated by L. S. Huffman for 30 years.

Goes to Cleveland



A. W. LORENZ

A. W. Lorenz, who becomes manager of the Cleveland branch office of the Maryland Casualty, has for the past three years been assistant manager of the accident and health department at its home office.

Virginia Action Is Delayed to Dec. 1

RICHMOND, VA.—At the request of Abram P. Staples, Virginia attorney-general, argument on a motion for a temporary restraining order has been deferred to Dec. 1 in the Association of Casualty & Surety Executives' suit in United States district court here to test the constitutionality of the agents countersignature law. At a hearing this week before Judge Pollard Mr. Staples indicated he was not prepared to go ahead with the argument. Judge Pollard said he had another engagement Dec. 1 and it is possible he might not be able to entertain the motion then but he would certainly consider it Dec. 3. Andrew D. Christian, Richmond attorney, is principal counsel for the companies. If the temporary restraining order is granted, the case will have to be heard before a three-judge court.

The companies in their bill contend that they will suffer the destruction of their business covering in Virginia by non-resident brokers or agents if registered resident agents furnishing Virginia countersignature for such contracts shall retain so much as one-half of the usual and customary commissions thereon, unless the companies shall make good to the non-resident brokers or agents the amounts so lost by them.

President Vincent Cullen Honored at a Party

In honor of President Vincent Cullen, New York, who was a featured speaker at the banquet of the Illinois Association of Insurance Agents, National Surety held an elaborate cocktail party just before the banquet. Invitations were issued in the names of Mr. and Mrs. B. J. Nietschmann, and Mr. and Mrs. E. A. Luther. Messrs. Nietschmann and Luther are branch managers at Chicago and St. Louis respectively. Mesdames W. A. Gray, St. Louis, H. L. Dalton and R. E. Hall, Chicago, also assisted their husbands at this party. Practically every officer of the association and featured speaker were present. In addition to Mr. Cullen, J. F. O'Hea and S. G. Drake, vice-presidents, came from the home office.

Casualty Men Plead for N. Y. Code Modification

Hit Auto Rate Deviation and Liability Compensation Reserve Increase

NEW YORK—Features of the proposed new insurance code for this state as affecting casualty and surety companies particularly were considered at a two-day hearing of the joint legislative committee on recodification here. As the result of arguments made in behalf of the companies, changes in the phrasing of certain provisions in the interest of clarity was agreed to; other minor requirements shown to be unnecessary will be deleted from the final draft, while still others, to which objection was offered by company officials, will be taken up in conference with Professor E. W. Patterson, chairman of the revision committee.

It developed that representatives of fire, marine, casualty and surety companies had agreed upon the particular types of business each would write, so there would be no encroachment by any upon the preserves of the other, and that a memorandum to that effect had been filed with the department some time ago. The superintendent, however, has not given his approval thereto, reserving judgment until later. At the request of Assemblyman Piper, chairman of the legislative committee, a copy of the agreement in question will be furnished him.

Auto Rate Deviations

Among other important issues discussed at the sessions were those of allowing deviations from automobile rates; the proposed increasing of statutory loss reserves for liability and compensation lines; the licensing of agents; treatment of non-admitted company representatives, and the question of line limits.

Spokesmen for the companies gave notice that they desire to present other arguments at the next joint gathering Dec. 2.

Speaking for the National Bureau of Casualty & Surety Underwriters, of which he is general manager, William Leslie protested the granting of deviations to any insurer from automobile rates that are based upon the combined experience of all carriers. He contended if such concession is allowed a recasting of the general experience would be necessary, a process that would have to be repeated whenever a deviation was allowed. It is a fact, he stated, that the loss and expense experience of some companies is more favorable than that of others. But rates are based upon the combined record and it is upon such showing the department promulgates rates each year. If it were logical to grant a rate differential to particular companies, the ultimate would be that each company would be filing its own schedules and no proper basis would exist for gauging the sufficiency of the rates as a whole. As mutual companies operate without agency expense the reasoning applicable to stock companies, of course, would not hold as to them, Mr. Leslie admitted.

Companies allowed rate differentials, Mr. Leslie said, have an unfair competitive advantage, in that they write selected business, compelling carriers generally to take the less desirable classes, with the result that a higher loss ratio is produced, compelling an increased average rate.

Discussion was lively regarding that

section of Article VI of the revision dealing with the licensing of agents, brokers and adjusters. Chairman Piper noted the difficulties encountered in properly defining "an agent," in connection with fraternal orders, saying the matter would have to go over until the position of the fraternal was learned. Professor Patterson voiced the theory that any one collecting an insurance premium outside an office must be licensed as an agent, in that it is fair to assume he will at the same time solicit business and explain the application of policy forms and their coverages.

Hervey Drake, attorney Association of Casualty & Surety Executives, contended non-admitted companies should be barred from performing any service whatever in the state. Chairman Piper, however, held that under decisions of the United States Supreme Court contracts effected in other states are valid, and that any attempt on the part of New York to limit essential service thereunder would be beyond its power.

A provision of the present insurance law requires that where banks, trust companies, building and loan associations or other financial institutions are compelled to furnish fidelity bonds, the indemnity must be purchased from admitted companies. This requirement does not appear in the code revision. The drafters believe it should properly be part of the banking law. Superintendent Pink stated he had been in touch with officials of the banking department upon the subject. Chairman Piper said he would be glad to prepare a separate bill in such connection and submit it when the legislature meets in January. He said he could not guarantee its passage. Strong opposition to the proposed measure may be counted upon from the banking fraternity, it was generally agreed.

Tarbell Opposes Reserve Increase

In support of its recommended increase of 5 percent in the reserves on liability and compensation business written during the three most recent years it was contended by department representatives that as to a number of companies the reserves set up under the present formula were proven to have been inadequate. The department favors raising the reserves required on liability business to 65 percent from 60 percent, and on compensation to 70 percent from 65.

T. F. Tarbell, actuary of the Travelers, asserted that the increase would require the 10 leading writers of the lines in New York to put up additional reserves of \$14,000,000, or 8.9 percent. That would cause a decrease in their aggregate surplus of 13 percent. He contended that the proposed increase was unnecessary, particularly in the light of the improved experience in compensation because of guaranty funds maintained to pay compensation losses of failed companies.

Moreover, he pointed out, the department is in position promptly to check up the experience and has the authority to demand additional reserves from any office where this is shown to be necessary. Most states, Mr. Tarbell said, follow the law and rulings of New York and if the other states should require increased reserves net surplus would shrink sharply.

Frank A. Christensen, vice-president America Fore group, speaking as chairman of the Association of Casualty & Surety Executive committee at the hearing, endorsed Mr. Tarbell's position.

Hugh Harbison of the Travelers pointed out a number of desired changes in the editorial arrangement of the code, and argued in favor of the abolition of certain of its provisions, which he contended were unfair to the carriers, and of no advantage to the public.

The committee is to meet again Dec. 2, when measures of especial concern to mutual casualty companies will be reviewed.

Lawrence Merrill, 8-year-old son of Allen Merrill of the McKibben & Merrill agency, Terre Haute, Ind., was suffocated in a cave-in of a sand fort in which he and a chum were playing.

Intensive Study Is Needed by Actuaries

Superintendent Pink Sees Grave Situation in Automobile Insurance Field

NEW YORK—Predicting that "the public will not long continue to tolerate a situation where only one-third of the cars are insured and where at least a third of those operating cars are wholly irresponsible and unable to pay," Superintendent Pink of New York, in his address at the dinner of the Casualty Actuarial Society, suggested the automobile field for the intensive study of the casualty actuaries.

Said Mr. Pink:

"The actuary can be helpful in trying to assist the industry and the supervisors of insurance in working out some plan of financial responsibility which will meet the pressing need. He can be particularly useful in studying the plan of automobile compensation similar to workmen's compensation which has been urged as a solution of the problem. Theoretically the compensation plan is the fairest and most equitable of all but undoubtedly it would be very costly and might seriously hinder the development of the automobile industry.

Speeches But No Data

"We have had many reports and many speeches on the subject but we have not had reliable data. For many years a legislative committee has been working upon this subject and annually it reports, but the reports do not lead to any definite conclusion because the members have not had the assistance of competent actuaries to make a proper study of the cost of the plan. Studies should be made showing the probable costs under the various plans proposed and discussed. It is difficult to balance the good effects against the evil effects of the plans suggested as a cure for the present situation where so many injuries remain uncompensated unless scientific studies are made and the approximate cost of each plan is determined."

Other speakers at the dinner meeting were Commissioner Harrington of Massachusetts, President S. Bruce Black of the Liberty Mutual, Chairman Edson S. Lott of the United States Casualty and E. C. Stone, United States general manager and attorney Employers Liability.

Managers Discuss Commissions

Members of the Casualty Managers Club of Chicago at their meeting this week discussed various phases of the commission situation. They decided against formulating a proposal because they have not been apprised of the current attitude of head office executives and because of the militant position that Insurance Director Palmer of Illinois has taken.

President John Pabst appointed a nominating committee to recommend a slate for election at the annual meeting the week of Dec. 12. He named: G. H. Moloney, Hartford Accident; H. N. Douglass, New Amsterdam Casualty; V. H. Bartholomew, Standard Accident; W. O. Schilling, U. S. F. & G.

Virginia Surety Is in New States

Virginia Surety, which is being taken over by new interests, who intend to have it licensed in a number of states, has already become licensed in Ohio, Indiana and Tennessee. It is understood that some insurance men from Ohio and from Chicago are the ones who have gotten control of Virginia Surety. It will be used for writing auto and truck business.

Clifford C. Dussel, Edison building, Columbus, is the Ohio agent of Virginia Surety.

Agents in Forum on Auto Financial Responsibility

Following the talk of W. D. Forsyth, Springfield, Ill., general supervisor of the automobile department of the office of the secretary of state, on the new driver's license and financial responsibility laws, a number of interesting questions were asked from the floor and discussed by Mr. Forsyth at the Illinois Association of Insurance Agents' meeting at Peoria. Mr. Forsyth's talk was reported in THE NATIONAL UNDERWRITER last week, and involved a general explanation of the principal features of these two new pieces of legislation.

Asked as to the effective date of the financial responsibility law, Mr. Forsyth answered that the secretary of state is enforcing it now, although it cannot be given its full force until drivers' licenses are required, beginning next May. However, the financial responsibility law went into effect on July 12 and already the secretary of state has taken 14 sets of license plates from automobile owners who have failed to pay judgments. Some of these, he declared, were on trucks, thus showing that failure to carry insurance can deprive a truckman of his livelihood. These plates, Mr. Forsyth continued, cannot be returned, nor can any automobile be registered in the name of these parties, until they pay the judgments against them and post evidence of financial responsibility.

Issue Before Attorney-General

In answer to another question, Mr. Forsyth stated that the secretary of state has asked the attorney-general for an opinion as to whether the July 12, 1938, effective date of the financial responsibility law refers only to judgments based upon accidents occurring on and after that date, or to judgments returned after that date, regardless of whether the accident on which the judgment is based occurred considerably earlier. It is expected, Mr. Forsyth continued, that the attorney-general will rule that the date of judgment and not of the accident controls.

In answer to another question, Mr. Forsyth stated that, since the driver's responsibility law is now in effect, the secretary of state will refuse to issue a driver's license to any person who has a judgment returned against him between now and next May or is convicted of any of the offenses specified in the financial responsibility law, such as reckless driving, driving while intoxicated, etc. License will not be issued until applicant posts evidence of financial responsibility, as required by the law, and pays the judgment, if there is one.

He was asked what the department would do should one owning several private passenger cars or trucks and using them in business fail to pay a judgment because of an accident involving one of them. Mr. Forsyth answered that the law requires that all license plates be taken up and registration be withheld until the judgment is paid and financial responsibility is established, regardless of whether the person or corporation owns one or 100 vehicles.

The secretary of state in interpreting the financial responsibility law is requiring the broad form of drive other cars endorsement on all policies posted to comply with the law. If the assured does not carry this endorsement, it apparently is possible to issue a restricted driver's license, entitling him to operate only the automobile covered by the policy and specifically described in the license.

General Reinsurance Pays Extra

NEW YORK—In addition to the regular dividend of 25 cents, General Reinsurance has declared an extra of the same amount, both payable Dec. 14 to stock of record Dec. 5.

New Blanket Bond Rates Published

Towner Bureau's Scale for Savings, Building and Loan Association Form

Rates for the new blanket bond No. 22 for savings, building and loan associations and credit unions, announced last week, have been published by the Towner Rating Bureau. In general, the charge for the new and broader bond is about the same as the old premium for the old and more limited Form No. 16 revised. Where the latter form is still desired, rates are reduced.

Associations eligible for these bonds are divided into two groups. Class A associations are those with assets of not more than \$4,000,000, which do not employ salesmen or collectors. Minimum bond for these associations is \$5,000. Associations with more than \$4,000,000 assets or associations of any size with salesmen or collectors are rated as class B and take a minimum bond of \$25,000.

Rates for Smaller Associations

The basic form No. 16 revised bond did not include misplacement and forgery could not be written under it. Form No. 22 includes misplacement and forgery as part of its basic coverage. Forgery may be eliminated. For class A associations, the rates for form No. 22 with misplacement but without forgery are exactly the same as those charged for form No. 16 revised with neither misplacement nor forgery protection. They start at \$120 for a \$5,000 bond for an association with assets of not more than \$300,000 and scale up to \$390 for a \$25,000 bond for an association with assets of \$3,000,000 to \$4,000,000.

To include forgery and alteration coverage on these bonds, the premium is increased 20 percent. Since forgery is part of the basic bond, it must be deleted by rider if the 20 per cent increase is to be waived.

Old Rates Reduced

For form No. 16 revised for class A associations, with misplacement included, the form No. 22 rates without forgery are reduced 10 percent. If misplacement is not included, these rates are reduced 20 percent.

For class B associations, a table is published showing charges for the number of employees and the amount of the bond. For form No. 22 without forgery, the minimum charge is \$390 for a \$25,000 bond with ten or less employees. The next 15 employees are charged \$7.50 each, the next 25 employees, \$6.50 each. For over 50 employees the charge is \$6 each. For amounts of additional suretyship over \$25,000, a table is published showing the additional charge in units of \$25,000. Forgery coverage is 20 percent additional.

For form No. 16 revised, the same reductions apply as for class A associations.

Another liberalization of the rules allows credit for underlying fidelity bonds for all associations. Formerly credit was allowed only to class B associations and to class A associations having assets of more than \$1,000,000 and a bond of \$25,000 or more.

U. S. F. & G. Hot Springs Parley

HOT SPRINGS, ARK.—Four U. S. Senators joined 300 Arkansas and western Tennessee agents of the United States Fidelity & Guaranty and Fidelity & Guaranty Fire at a banquet concluding a two-day educational conference. The senators were Alben W. Barkley, Kentucky; Scott W. Lucas, Illinois; Harry S. Truman, Missouri, and Pat Harrison, Mississippi.

R. H. Bland, chairman of the board, and Governor Bailey were banquet speakers. W. B. Nelson, Memphis, division manager, was in charge of the conference.

Needless Risk *or Wasted Dollars!*

INSURANCE analyses—business or individual—usually show under-protection or over-buying.

Except where an experienced agent or broker has recently made a careful study of the situation!

Insurance problems often seem deceptively simple—to the amateur. But we have paid many thousands of claims. We know that the advice and counsel of an experienced insurance man is important to clear and complete protection. And when a claim occurs he serves as expert representative.

Insurance that minimizes the agent's function may lessen your protection, your service. Insurance is dollar protection. There are no cut-rate dollars for sale.

Why not let an experienced agent or broker take a look at your business from an insurance point of view? Like a check-up by your family doctor, it can do no harm—may save your business life.

NATIONAL SURETY CORPORATION

VINCENT CULLEN, *President*

This is one of a series of advertisements appearing in national publications in the business and financial fields.

These viewpoints have tested sales and competitive power because they are founded on fact.

Use them!

No matter how UNUSUAL your client's needs

Bring your unusual risks to Indemnity. We are equipped to handle unusual types of general liability or contract to cover all business needs, and are always ready to assist the Agent or Broker to secure adequate coverage. No matter how out-of-the-ordinary your proposition is, we shall be glad to work with you, provided only that it's sound.

CAPITAL \$1,000,000
CASUALTY
FIDELITY
SURETY



**Indemnity Insurance Company
of North America**

PHILADELPHIA

We are anxious to assist the Agent or Broker in securing adequate coverage for unusual propositions.

ACCIDENT AND HEALTH

Chicago Congress Is Set for Jan. 24

At a meeting of the sales congress committee of the Chicago Accident & Health Association, of which E. H. Ferguson, Great Northern Life, and Clay Lundquist, Fred S. James & Co., are co-chairmen, it was decided to hold the Chicago association's sales congress the afternoon of Jan. 24, starting with a luncheon, probably at the La Salle Hotel. Mr. Lundquist will be directly in charge of the sales congress arrangements, while Mr. Ferguson is arranging for the mid-year meeting of the National Accident & Health Association, which will be held in Chicago the same week.

That meeting starts on Monday, Jan. 23, with a meeting of the National Association executive committee in the morning and a discussion of National and local association problems in the afternoon. The morning of Jan. 24 will be devoted to a symposium on managerial problems and those in attendance will join in the sales congress in the afternoon.

The presence of National association leaders and officers of most of the local associations at that meeting and the further fact that a meeting of the general committee in charge of Accident & Health Insurance Week for 1939 will be held in Chicago the following day, Jan. 25, will make it possible to secure an especially strong list of speakers for the sales congress.

Mr. Lundquist is planning a well balanced sales congress program with four speakers, including a company man, a salesman with an outstanding record, a manager and an outside inspirational speaker.

Announce Los Angeles Nominees

LOS ANGELES—Officers for the Accident & Health Managers Club of Los Angeles, nominated at the November meeting and to be elected at the December meeting, are: President, W. E. Mast, California Agencies; vice-president, Byron D. Williams, Connecticut General Life; secretary-treasurer, F. B. Alldredge, Occidental Life; directors, F. H. Dibble, Provident Life & Accident; L. M. De Witt, Federal Life, and J. E. Joseph, Ocean Accident.

George Gray of the Los Angeles board of education, who had previously brought up the matter of "consumer education," was named chairman of a committee to make a study of the subject. C. H. Thrift, Behrendt-Levy agency, was made chairman of the membership committee.

The meeting was planned as a reunion of old-timers. W. L. Thomas, Massachusetts Bonding, first president of the club, who is still active and regular in his attendance; Mike O'Sullivan, Southwestern Life, and H. E. Burford, California Agencies, spoke briefly.

Boston Regional Meeting Nov. 29

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, will conduct a regional meeting for eastern members of the conference in Boston Nov. 29. Definite decision will be made at that time as to the time for the annual meeting, which will be held in Boston next spring. It will probably be May 23-25, with the Statler Hotel as headquarters.

Mr. Gordon has called a meeting of eastern members of the Accident & Health Insurance Week general committee, of which he is chairman, in New York Dec. 30.

Poster Entries Number 101

The \$100 prize offered by the general committee in charge of Accident & Health Insurance Week for the best suggestion for its 1939 poster brought out 101 entries, many of them of out-

standing merit. The suggestions submitted are now in the hands of a committee of insurance company advertising men, headed by C. A. Palmer, North America, chairman of the Accident & Health Week committee of the Insurance Advertising Conference, who will decide on the winner.

Lists Nine Types of Buyers

MILWAUKEE — The Milwaukee Accident & Health Association heard Howard Ott, sales counselor, describe "Nine Kinds of Buyers" in a lecture on salesmanship, illustrated with charts, at its November meeting. He classified all buyers into nine groups, and suggested how each type should be handled to make a sale. W. A. Kempf, Old Line Life, association vice-president, introduced the speaker.

Form New Los Angeles Agency

LOS ANGELES.—C. M. McKee and R. R. Reynolds have formed a partnership and opened an agency in the Edwards & Wilsey building, to be known as the Personal Insurance Agency, to write programmed insurance for professional and business men.

They will represent the Massachusetts Indemnity but will write all lines of personal coverage for their clients.

Hammett Made General Agent

Walter E. Hammett of Boston has been promoted by the Loyal Protective Life to general agent in Massachusetts. He has made an excellent record with the Loyal as special representative.

Plan Mutual to Cover Athletes

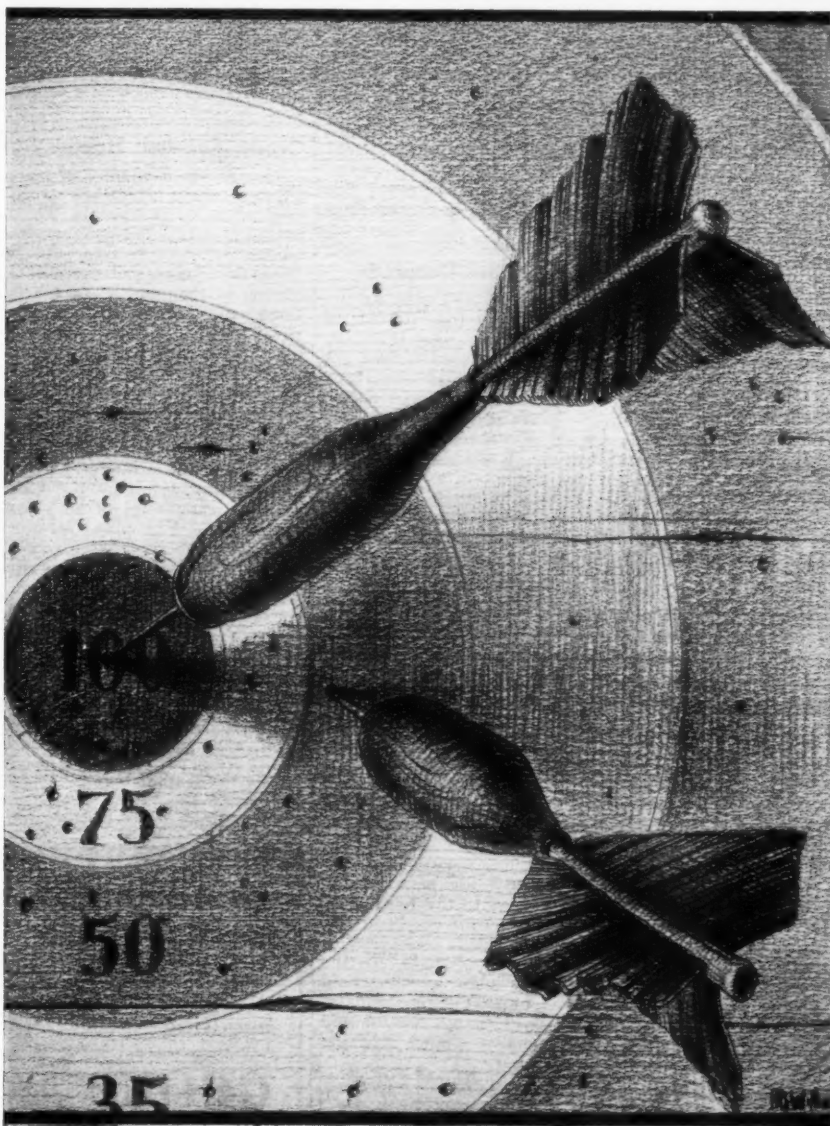
DES MOINES.—The Iowa High School Athletic Association has announced that it will sponsor a mutual insurance company to effect an insurance program for high school athletes. The insurance cost will be 50 cents a pupil for remainder of the school year. Maximum benefits for any one accident will be limited to \$1,000. The association will get 10 percent commission on all business. Officers will be selected soon.

Van Vliet Company Licensed

A Nebraska license has been issued to the People's Accident & Health of Lincoln, an assessment company. Directors are C. P. Van Vliet, J. P. Van Vliet, W. S. Proudfoot, Dr. Harold Krieger and J. M. Todd. The Van Vliets have been active for years in the United of Lincoln, also a health and accident company.

Application of Safe Driver Reward Plan Is Extended

NEW YORK—The National Bureau of Casualty & Surety Underwriters has extended the safe driver reward plan to include private passenger automobiles used by salesmen and others with similar duties occasionally to carry passengers for a consideration and private passenger automobiles used to carry fellow employees to and from work for a consideration. Up to now these classes have been excluded from application of the safe driver reward. The post card bulletin of the National Bureau states that this plan is extended to cover all such automobiles, where the rate applicable is based upon the private passenger specified car rate. This consequently applies to all arrangements for transporting employees or fellow employees except where the employer owns the automobile and charges a fare and where the employer makes a contract with some outsider to carry employees to and from work. In these two cases, the private livery rate is used as the basis and hence the safe driver reward still does not apply.



ARE YOU HITTING THE BULLS-EYE?

IN your business of selling, are you scoring 100%, 50%, or are you getting nowhere? You can improve your sales technique and increase your earning power by adopting proved selling methods.

THE ÆTNA CASUALTY AND SURETY SALES COURSE

SCHEDULE OF SESSIONS FOR 1939

January 16 to February 18	June 12 to July 15
March 6 to April 8	August 14 to September 16
April 24 to May 27	October 2 to November 4
November 13 to December 16	

provides an intensive five weeks course in the fundamentals of insurance salesmanship under the personal direction of experienced instructors. This opportunity is available to approved applicants at no cost other than transportation to and from Hartford and living expenses while taking the Course.

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THE ÆTNA LIFE
INSURANCE COMPANY

THE AUTOMOBILE
INSURANCE COMPANY

THE STANDARD FIRE
INSURANCE COMPANY

of HARTFORD, CONNECTICUT



WORKMEN'S COMPENSATION

Decision on Minnesota 1939 Reduction Expected Soon

ST. PAUL—A decision is expected within a week on the 1939 compensation rates proposed by the Minnesota compensation rating bureau. A hearing was held last week by the Minnesota compensation insurance board. The proposals call for an average reduction of 4.9 percent on a 60-40 loss ratio-loading charge basis.

While the hearing brought out a fair representation of employers the main protest to the proposed rates came from department store owners in the Twin Cities. The proposals call for 14 percent increase in this classification which the employers thought unjustified.

Another matter which came before the state board at this hearing was the short rate cancellation table as applied to compensation policies in Minnesota. There has been some dissatisfaction with the plan in effect, mainly from employers who need coverage for only brief periods.

Commissioner Yetka, a member of the compensation board, directed several

pointed questions at G. V. Fuller, secretary of the National Council on Compensation Insurance, who explained the short rate plan now in effect.

J. W. Phillips, vice-president Employers Mutual Casualty, Wausau, Wis., read a statement setting forth the views of his company. He is a member of the rating committee of the Minnesota bureau and voted against the short rate plan when it was approved by the bureau a month ago.

Expect Utah Rate Revision

SALT LAKE CITY—A compensation rate revision is expected here shortly as an outgrowth of a recent regional committee meeting.

Discuss California Legislation

SAN FRANCISCO—The need for an aggressive statewide clearing house to deal with compensation insurance legislation is to be one of the principal topics of discussion before the industrial committee of the California state chamber of commerce Dec. 1 at its meeting here. Eugene Battles of R. A. Rowan & Co., Los Angeles, past president of the Cali-

fornia Association of Insurance Agents, will lead the discussion. He has been vice-chairman of a sub-committee on compensation insurance for several years.

The other principal compensation subject will be "What Compensation Insurance Means to California Industry" presented by T. J. Straub, general counsel Pacific Gas & Electric Company, San Francisco, and chairman of the committee on compensation.

No Action on Refund Demand

ST. PAUL—W. H. O'Toole, an accountant representing the Associated Contractors of Minnesota, got little satisfaction when he appeared before the Minnesota compensation insurance board to demand refunds to his clients aggregating more than \$1,000,000. O'Toole argued that compensation rates approved by the board for 1936 and 1937 were not minimum, adequate and reasonable rates and that they were "made excessive and beyond legal rates through application of the contingency factor."

N. H. Debell and Frank Yetka, members of the board, suggested that O'Toole, seek a judicial review rather than petition the state board for a refund order, and criticised him for waiting so long to attack the rate structure established after public hearings.

Missouri Limitation Sought

At the insurance department hearing on workmen's compensation rates in Jefferson City, Mo., the National Council on Compensation Insurance filed a proposal to limit the employers' liability feature of compensation policies to \$5,000 per accident per person, with no upper limitation as to the number of persons. This would affect those not under the Missouri act.

It also filed a supplement to the retrospective rating plan which would waive premiums in excess of standard. The proposal would enable the assured to insure his penalty charge or surcharge.

CHANGES

R. G. Lett in Northern Indiana for Ocean Accident

R. G. Lett has been appointed special agent in northern Indiana for Ocean Accident and Columbia Casualty with headquarters in Chicago. He is being introduced to agents in the territory this week by K. J. Grant, who has been handling the field and has resigned to join the Axel Larson agency of Minneapolis. Mr. Lett has been connected with the Chicago office of Ocean Accident for several years, gaining a knowledge of several lines, including accident and health, automobile and fidelity-surety. For the past several months he has been assistant to Manager Robert Munsell of the bond department. Mr. Lett was connected with Continental Casualty in the accident department at one time. He is a young man who has demonstrated considerable sales ability.

Mr. Grant has been with Ocean Accident about ten years. Until three years ago he was attached to the Minneapolis office.

Wright to Connors Agency

G. E. Wright, with the liability departments of the Aetna Life, Travelers, London & Lancashire Indemnity and Great American Indemnity in Boston for 20 years, has joined the F. J. Connors agency there as casualty manager in charge of production. His most recent connection was with the Boston general agency of Hollis, Perrin & Kirkpatrick.

W. H. Konawel, New Orleans manager of the Washington National, with

which he had been connected 30 years, died there following an illness of a few weeks. His territory included Louisiana, much of Texas and part of Arkansas.

Ocean Accident Honors Agencies

The Bruns Company of Syracuse, N. Y., and those identified with the organization were guests at a dinner party Monday evening, given by the Ocean Accident & Guarantee in recognition of 25 years of representation. All officers of the agency and all those identified with it, as well as various company representatives, were in attendance. The plans for the celebration were arranged for and attended by C. W. G. Bailey, assistant manager, in charge agency department.

The Chas. D. Tuke Insurance Agency at Rochester, N. Y., and its associates were guests at a dinner party on Tuesday evening given by the Ocean Accident in recognition of 38 years of representation. The plans for the celebration were also arranged for and attended by Mr. Bailey. The celebrations were in recognition of a long and pleasant relationship between the company and the two agencies.

Talks to Safe Deposit Men

ST. LOUIS—Fred H. Doenges, St. Louis manager of the Fidelity & Deposit, addressed the St. Louis Safe Deposit Association on "The Insurance Needs of a Bank" and "The Different Forms of Insurance Available to Safe Deposit Box Companies."

*Nailed
Down!*



Not only does AMICO offer the progressive agent a competitive medium for securing the highest type of automobile risks but it helps to keep this business **NAILED DOWN**.

If your automobile insurance volume has not held up during these last eight months, or if you are waging an uphill fight for new business plus the losing of renewals that you had counted on during the year, inquire today about the AMICO franchise.

American Motorists representatives have little fear of slumps or depressions. This company has made a steady, consistent record of progress every year since organization and is climbing every day to new volume records under AMICO's time-tested plan of operation.

Write today for complete details on how AMICO can help you sell ALL lines of casualty insurance—how you can boost your 1938 sales volume as well. No obligation whatsoever.

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Division of Kemper Insurance

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of Experienced Co-Op-
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and
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NEWS OF CASUALTY ASSOCIATIONS

Engineers Play Important Role in Accident Prevention

Engineers play a role of major importance and can be of great assistance in decreasing costs and the mounting death toll as the result of automobile accidents, according to W. S. Sheldon of Fred S. James & Co. in addressing the first fall meeting of the Casualty Engineers Association of Chicago. Many insurance companies are seeking relief from high accident costs by employing a staff of engineers to improve conditions involving company owned fleets of automobiles. Although the engineering phase, he said, means added expense for companies, the rate cannot be loaded to offset this amount. Consequently companies look for better than average experience as a result of engineering efforts. It is important that engineers outline and adopt a plan that will benefit both the assured and the company. In many cases, Mr. Sheldon pointed out, where the deal has to be closed quickly the underwriter must rely to a great extent upon engineering service. He told members of the association that they were between two fires.—that of satisfying the producer and the company.

J. C. Wilson, General Accident, president of the association, presided. Three reels of film on accident prevention methods, were shown.

Medical Reimbursement Minded

CINCINNATI—C. F. Selling, assistant secretary Sun Indemnity, New York City, told the Cincinnati Accident & Health Association that agents in New York City are "medical reimbursement minded," selling the coverage to both husband and wife, to protect the savings account. Mr. Selling said the accident business brings real financial returns to the agent. H. R. Whiteside, Earls-Blain Company, president, presided. C. A. Sholl, president Globe Casualty, Columbus, and president of the Columbus Accident & Health Association, was a guest.

Dignan Speaks at Columbus

At the November meeting of the Columbus (O.) Accident & Health Association, William Dignan, sales manager W. E. Lord Company, Cincinnati, spoke on "The Accident and Health Business."

An added feature was "Three Selling Points," presented by T. T. McClintock, manager accident and health department Ohio State Life. This new feature, which is proving most helpful, will be discussed at the December meeting by J. E. Deutsch, general agent, Monarch Life.

The attendance was the largest at any meeting yet held. C. A. Sholl president, was in charge.

N. J. Body Sees "Word Magic"

NEWARK — The Casualty Underwriters Association of New Jersey held a Thanksgiving luncheon meeting Wednesday. The motion picture "Word Magic" was shown through courtesy of Aetna Casualty. Members of the Essex County Board of Underwriters and Surety Association of New Jersey were invited. The annual meeting will be held in December.

Consider Educational Activity

LOS ANGELES—The Casualty & Surety Field Men's Association at a

meeting here, discussed adopting some educational plan for the benefit of the agents, but deferred action until next month to study the subject further and collect information as to what is being done by other associations along that line.

San Francisco Christmas Party

The Casualty Underwriters Club of San Francisco will have a Christmas dinner and "high jinks" the night of Dec. 16. The party will be stag but guests will be invited by members.

SURETY

Berry New Philadelphia Head

W. W. Berry, Massachusetts Bonding, was elected president of the Surety Association of Philadelphia at the 30th anniversary dinner. The guests of honor were M. W. Lewis, president Towner Rating Bureau, and two of the founders of the association, T. B. Smith, former mayor of Philadelphia, and F. X. Connolly, Fidelity & Deposit.

Arthur Timmons, Fidelity & Casualty, is the new vice-president; R. S. Fanning, Hare & Chase, treasurer; A. A. Michelbacher, Aetna Casualty, secretary. J. G. Bauernschmidt, II, Maryland Casualty, was chairman of the committee that made the arrangements for the dinner.

Fidelity Rally in Seattle

SEATTLE—About 75 agents, company employees and office men attended the state-wide fidelity bond educational meeting here.

Wayne C. Meek, president King County Insurance Association, opened the meeting and turned the chair over to A. O. Stuber, Massachusetts Bonding, chairman of Surety Association's educational committee.

Gillespie New S. California Head

H. C. Gillespie, U. S. F. & G., has been elected president of the Surety Association of Southern California. H. S. Vreeland, Associated Indemnity, is vice-president. L. H. Schwobeda, Fireman's Fund Indemnity, is secretary.

Get Bids on Relocation Project

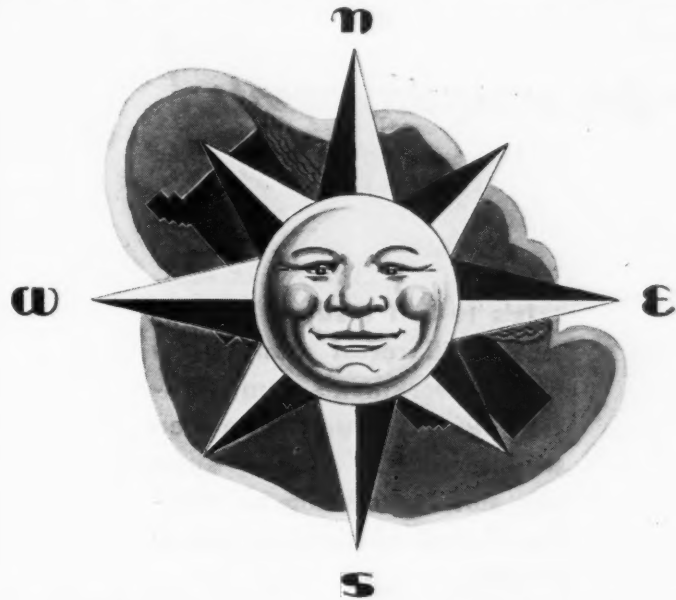
LOS ANGELES—United Concrete Pipe Corporation, Los Angeles, was the low bidder, \$598,673, when the U. S. Reclamation Service opened bids on about one mile of the Southern Pacific relocation around the Shasta Dam in northern California. The project includes earth work, tunnels and structure.

Maryland Casualty and U. S. Fidelity & Guaranty, through their Los Angeles branch offices, are on the bond for the bidder, and should it be awarded the contract will write the material and performance bond.

Felix Broeker Again Meets Obstacles in a Scheme

Felix Broeker, who is designated by the Kansas City papers as "promoter extraordinary," was fingerprinted in the United States marshal's office in Kansas City. He was arrested in Portland, Ore., by a Federal Bureau of Investigation agent, charged with making illegal entries in the books of the Bank of Nashua, Mo. Jointly with him on the same charge is George M. Isley, former cashier. Broeker has been attempting to promote the Mutual Standard Casualty of Kansas City, which got a charter but was never licensed. He is well known in the insurance promoting field and was formerly located in Chicago and Fort Wayne, Ind.

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CASUALTY PERSONALS

Rex Bixby of Denver, well known in insurance circles, and Mrs. Bixby announce the arrival of a daughter, Muriel Dianne, Nov. 15.

H. T. Dobbs, executive vice-president of the Industrial Life & Health of Atlanta and chairman of the executive committee of the Industrial Insurers' Conference, has been elected president of the Civic Association of Druid Hills, one of the most prominent suburban communities of Atlanta.

Mr. and Mrs. Robert Lyons of Minneapolis announce the marriage of their daughter Nora to A. J. Giebel. Mr. Giebel is manager of the accident and health department of the North American Life & Casualty of Minneapolis.

Thomas S. Dugan, resident vice-president of the U. S. F. & G. at Louisville, returned to his home, following an operation for an eye infection. Mr. Dugan expects to be back at the office by Dec. 1.

George A. L'Abée, 28, manager of casualty department of Carter, MacDougall & Co., Seattle, died following a long illness.

Neal Bassett, United States manager of Accident & Casualty, and Dr. Paul Thorin of the home office have been visiting Pacific Northwest agencies.

E. E. Sawyer, vice-president and counsel of Associated Indemnity and Associated Fire & Marine, is on an extended visit to eastern cities. He will visit Chicago, New York and Philadelphia and plans to return home a few days before Christmas.

The Lighthouse Club, consisting of employees of the Ocean Accident and Commercial Union Fire group in Chicago, held a dinner dance the other evening the day previous to the 72nd birth-

day of Manager J. E. Callender of the Ocean. F. S. Napp is chairman of the Lighthouse Club. He is chief accountant of the Ocean office. His associates are Walter Kent, Commercial Union; Birdie Schaeffer, Ocean; Lillian Roberts, Ocean; Walter Klepp Commercial Union and Gertrude Plagge, Commercial Union.

H. A. Behrens, chairman Continental Casualty and president Continental Assurance of Chicago attended the annual meeting of the American Bankers Association at Houston last week.

About 1,100 attended the dinner given W. R. C. Corson, president Hartford Steam Boiler, initiating the Hartford Community Chest drive. Mr. Corson, president of the chest for the first two years of its existence and always a leading member of the organization, was presented a certificate describing him as the one man who has done most for the local chest and for Hartford by W. Ross McCain, president of Aetna Fire and head of this year's Community Chest.

Henry Collins, U. S. manager, and W. Langdon Cavers of London, world general manager for Ocean Accident, returned to New York Wednesday after making a trip of more than two weeks across the country. They made numerous stops, calling upon Ocean Accident representatives. On their way east they made visits in Kansas City, Chicago and Detroit. Mr. Cavers sails from New York Dec. 2 on the Queen Mary.

John E. Cassidy, just appointed Illinois attorney-general succeeding Otto Kerner, who received appointment to the United States circuit court of appeals, is well acquainted with insurance. From 1919-1921, he was in the Chicago claim department of Aetna Casualty. For the past several years he has been a practicing attorney in Peoria and has handled considerable insurance litigation.

NEWS OF CASUALTY COMPANIES

Plan of New Baltimore Company

The Paramount Insurance Co., in process of formation in Baltimore, is to have a combined capital and surplus of \$250,000, and will operate on a stock-mutual basis, presumably issuing a participating policy. In addition to automobile fire, theft and collision, it intends writing burglary, plate glass and inland marine.

National Casualty Dividend

The National Casualty has declared its regular dividend of 25 cents a share payable Dec. 15, and an extra 20 cents a share, payable Dec. 22. As a result of these declarations stockholders will receive dividends of \$1.20 a share during this year. Operating profits, it is stated, for the first nine months were greater than for the same period of 1937.

Great Lakes Casualty Stock Sale

The sale of the Great Lakes Casualty of Detroit stock which is in the hands of the Michigan insurance department as trustee for the old Central West Casualty has been postponed to Nov. 29. The auditors of the court did not complete the audit. The court is now expected to make announcement next week.

O. K. Builders Mutual Assessment

MADISON, WIS.—The Wisconsin supreme court has upheld the order of the Wisconsin department for a second assessment of \$459,589 on policyholders of the Builders Mutual Casualty of Madison, which has been in process of liquidation since Aug. 1, 1933. Commis-

sioner Mortensen was upheld in making the assessment by the Dane county circuit court and policyholders appealed to the supreme court. The opinion held that great accounting difficulties would be involved if the assessment were not made on a flat rate, which was protested as inequitable by the policyholders. The new assessment is 20 percent, the same as the former one and covers earned premiums on workmen's compensation policies only for 1926-1932 inclusive. No assessment was levied on liability policyholders.

Chittenden Illinois Supervisor

W. H. Chittenden has been appointed field supervisor of the accident and health department of the Hoosier Casualty in Illinois. The announcement was made at a meeting in Indianapolis attended by accident and health field men from Indiana, Michigan, Ohio, Pennsylvania, Illinois and Iowa.

The Houston Fire & Casualty of Houston, Tex., has been licensed in Oklahoma. Paul Sisk and Ben Voth, operating as the Frates Co., Tulsa, Okla., are agents.

Lloyds Guarantee Assurance of Dallas, Tex., has entered Oklahoma to write all casualty lines except accident and health. O. A. Wells of Oklahoma City is state agent.

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An aggressive special agent, experienced in all casualty lines, including bonds, experienced in Cook County, Illinois. Our present force knows of this open position and none need hesitate to write in confidence stating experience, qualifications, age, and references.

ADDRESS J-17, NATIONAL UNDERWRITER

E. C. Lunt Discusses Rate Making

(CONTINUED FROM PAGE 25)

permit bonds control the rates in a multitude of cases, and leave little room for speculation about rate theories. Bankers' and brokers' blanket bonds, since they embody so many risks of pure-insurance character, rather less aptly but still fairly well, exemplify the method of rate-making referred to in this paragraph.

Investigation Expense

"f. Most types of fidelity bonds are rated in accordance with the preceding paragraph, except that one important element of cost in the handling of such business, investigation expense, largely absent when bonds are written purely on a quasi-insurance basis, must be considered and cared for in determining rates.

"g. Between the types of bonds whose rates are fixed or tested primarily by insurance methods (experience statistics) and the types whose rates are based on the service-charge theory lie numerous intermediate kinds of risks. They do not fall squarely within either of the classifications mentioned; and rates for them are determined, in varying degrees, by a combination of the two factors referred to, one of them sometimes predominating and at times the other. While no loss is expected in the instant case, when individual risks are accepted, it is known nevertheless that losses are bound to occur; and such a rate is named as will not only compensate the surety for services rendered and for incidental charges, but also will provide a fund for the payment of losses. Bonds issued in behalf of executors, guardians, testamentary trustees, and the like are rated in this way.

Two Fundamental Considerations

"h. The following two fundamental considerations affect all surety rates, and require them to be somewhat higher than those apparently adequate if only short-term statistics are weighed, and if anything less than a very broad view is taken of the entire rate situation:

"(1) The undoubted fact that industry and finance are subject to long-trend cycles of alternate activity and stagnation, certain to affect profoundly the results of normal surety underwriting;

"(2) The further undoubted fact that the insolvency of an important surety company, with consequent inability to fulfil its contracts, affects disastrously and in great part irremediably thousands and thousands of innocent bond obligees, including many political bodies. It were far better that rates should be somewhat too high than distinctly too low; and they are too low if they do no more than permit the surety companies, with prudent management and reasonably good underwriting, merely to cover current costs and current losses and a little profit, but do not permit in addition the accumulation of a surplus against contingencies unforeseen but certain in the course of time to arise.

Loss Causes Not Classified

"It is of interest to note in connection with our main inquiry," he said, "that little information is available, except perhaps in the files of the older and larger surety companies, regarding the specific causes of loss under given classes of risks. Principals on fiduciary bonds, for example (executors, guardians, trustees, and the like), may breach their bonds in any one of numerous ways—by continuing without authority a profitless business conducted by the decedent; by failing to convert promptly into safe securities investments of illegal character forming part of the original estate; by purchasing speculative stocks or bonds with the trust funds; by mishandling otherwise (however innocently) the property to be conserved and distributed; and of course and particularly by downright stealing of assets of the estate. Would it not be both interesting and highly useful to

underwriters if it were known that out of every hundred thousand dollars lost by the surety companies on fiduciary bonds, a certain percentage was due to dishonesty on the part of the principals involved, a certain other percentage to unwise investments made by them, and a third part to general incompetence, and so on?

"Similarly in the case of contract bonds it would surely be of decided value to underwriters to know, in connection with a given large volume of losses, what proportions were due respectively to the moral risk, to inadequate equipment, to inexperience in the particular line of work, to washouts or similar disturbances of nature, to labor troubles, to rising prices, and other mischances.

"In the important division of fidelity risks a most illuminating and valuable analysis of losses could be made. It would show what percentage of the whole was due to addiction to drink, for example; how much to horse-racing and other types of gambling; to what extent night-life and general dissipation contributed to the grand total; what part the stock market played in the sad exhibit; and so on.

"While analyses of losses of the kind suggested have probably been made by some surety companies as respects their own operations, no comprehensive and dependable digest of the experience of all the companies has ever been compiled so far as this writer is aware. It seems singular that an aid to underwriting so obvious, simple, and elementary should never have been available generally."

Insurance Angles to Chicago Subway

(CONTINUED FROM PAGE 25)

this was a scheme to permit the city authorities to control the bonding transaction. However, apparently that first impression was erroneous.

On page 7 of the specifications appears:

"Each of the foregoing unit prices includes, in addition to other items of cost, a proportionate amount to cover the premium for the performance bond. In the event the owner should elect to accept deductive alternate No. 1 and thus assume the payment of the premium for such bond, there will be deducted from each of the foregoing unit prices an amount equal to percentum of such unit price covering such premium and the amount payable to the contractor thereupon is the difference between the foregoing unit price and the amount so deducted. The total deduction on deductive alternate No. 1 has been specified above as a lump sum."

Penal Amount of Bond

The bond is to be in the amount of at least 100 percent of the contract price guaranteeing faithful performance and payment of labor and material.

The contractor is required, of course, to carry compensation insurance and to see that subcontractors are so insured.

Public liability insurance the contractor must carry in the amount \$25,000/\$200,000 and property damage insurance must be carried in the amount of \$500,000. The contractor must see that subcontractors carry public liability and property damage insurance. The subcontractors must carry public liability in the amount of \$25,000/\$50,000. Those whose contracts run up to \$20,000 must have property damage insurance in the amount of \$10,000; on subcontracts from \$20,000 to \$50,000 there must be property damage with a limit of \$25,000 and for subcontracts of \$50,000 and over the property damage insurance limits must

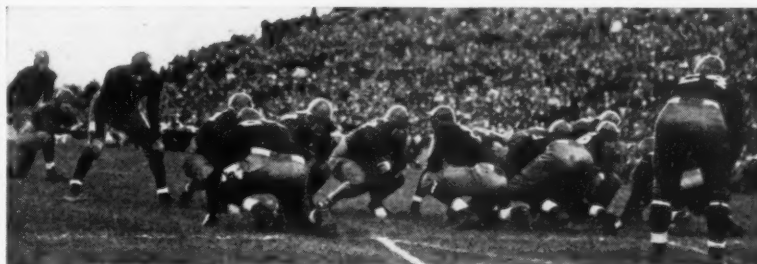
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Excess provides the extra margin of safety and guards against unexpected and ruinous catastrophe.

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Robert C. Ream, President

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DECEMBER 31st, 1937

CAPITAL	\$ 2,000,000.00
Surplus	3,028,762.81
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	4,358,549.45
All Other Liabilities	1,992,463.60
TOTAL ADMITTED ASSETS	11,879,775.86

NOTE: Securities carried at \$363,743.75 in the above statement are deposited as required by law.

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be in the amount equal to 100 percent of the contract price.

For blasting and trucking operations the liability and property damage policies must be endorsed to provide coverage for not less than \$10,000.

The contractor must furnish the city with a maintenance bond in the sum of \$30,000. This is to protect the city against expense necessary to repair or replace damaged pavement, sidewalks, curbs or other work or structures. This bond guarantees that the contractor will for a period of five years after the performance of the work make good at his expense any damage or injury which may arise from the performance of the work due to faulty materials, workmanship or settlement of the ground resulting in any way from the work under the contract.

There is intense interest in all details in connection with the awarding of the contract for the first section of the subway, as it will give an indication of the procedure to be followed in connection with the other sections. Insurance people above all will be on the alert for any signs of coercion.

P. D. Contract Undesirable

Apparently there will be no difficulty in getting the performance and payment bond completed for responsible contractors with a good financial statement. There has been a good deal of talk about the hazard of tunneling operations in Chicago due to the uncertainty of soil conditions, danger of quicksand, etc., and that hazard would be taken into serious consideration by a surety man in underwriting a bond for a contractor who was operating on a narrow margin.

The casualty companies may be very skittish about writing the huge property damage coverage that is required. That is regarded as a much more hazardous proposition than the public liability in connection with this particular operation. One of the principal hazards that comes to mind is that of the possibility of a cave in of buildings. The contractors will probably have no difficulty in getting the public liability coverage but so far as can be ascertained no American company would touch the \$500,000 property damage proposition. That is decidedly a London Lloyds type of gamble.

Even though an American company might be disposed to assume the risk, it is very likely that its reinsurance facilities would be such that it could not swallow the line.

Look at Financial Responsibility Law

(CONTINUED FROM PAGE 25)

In some jurisdictions varying degrees of discretion have been conferred upon the commissioner of motor vehicles or other public official and the constitutional question of delegation of judicial power to an administrative officer may arise. Requirements of proof of ability to respond to damages upon the happening of an accident before the motorist has been proved legally at fault are open to constitutional attack as unreasonable. Such an attack was defeated in New Hampshire on the ground that use of the highways is a privilege and hence that conditions even though arbitrary, may be imposed upon this privilege. Mr. Brown questioned, however, whether other states will take the same view. A constitutional objection which was sustained in New Hampshire was that the requirement of proof of financial responsibility on all cars bearing liens at the time of application constituted class legislation. Similar objections may arise to other parts of financial responsibility laws. Constitutional problems are important, Mr. Brown maintained, because there have been very few test cases.

One of the most troublesome administrative difficulties, reported Mr. Brown, is the question of effective enforcement of the law against drivers

who do not own cars. If the insurance companies can make the operator's policy a popular form of coverage, this may be the answer. An employed chauffeur is not much of a problem, because he can be regulated through his employer. In some states, in the absence of a conviction or entry of a civil judgment, the commissioner of motor vehicles is required to investigate and determine whether the driver has been negligent. This has proven unsatisfactory and in Connecticut the commissioner asked to be relieved of this responsibility. Another administrative difficulty lies in making the commissioner of motor vehicles a collection agent in states where a claimant can threaten to insist upon enforcement of the regulations.

Effective reciprocity between jurisdictions has not been accomplished as yet, particularly where one state is unwilling to enforce some regulation on behalf of a sister state, while it has rejected that particular type of legislation itself.

Another administrative objection has been that the laws have been completely enforced only in the case of drunken drivers and that the percentage of negligent and reckless drivers required to insure has been very small. The reporting of accidents is alleged to have been discouraged by negligent drivers because of fear that the law will be enforced against them and by innocent drivers because they wish to retain the threat of reporting as a means of collection.

Judgment Payments Increased

On the credit side of the ledger, Mr. Brown maintained that the AAA nationwide survey revealed that financial responsibility laws have been an important factor in reducing accidents through getting reckless and financially responsible motorists off the roads and have reduced the number of uncompensated automobile accident damage cases. Although the laws have been brought into play much more often in connection with traffic violations than with unpaid judgments, in Delaware, District of Columbia, Maryland, Nebraska and New Jersey, payment after the dead line when driving privileges had been suspended took place in 70 percent of the cases. In some states, however, payment after suspension went down as low as 15 percent. Mr. Brown concluded that undoubtedly the machinery of operation holds the answer to this discrepancy.

During the past year, 63,748 drivers' licenses were suspended through operation of financial responsibility laws. Of these, 91 percent were for traffic violations and only 5,383, or 9 percent, involved failure to satisfy judgments. Mr. Brown suggested that this may be due to the fact that the laws usually become automatically effective in case of violation but not in case of non-payment. In many cases mere threat of invoking the law has brought out settlement or payment in advance of the deadline. Likewise, a claimant who is convinced the motorist has not enough assets to pay a judgment will seldom prosecute a case simply to rule the motorist off the road.

Enforcement, Mr. Brown concluded, is obviously the answer to most objections to financial responsibility laws. In many states officers responsible for the enforcement have not stressed sufficiently the importance of the law on public consciousness, which has naturally reduced its effectiveness. Admitting that financial responsibility laws will not completely solve the social problem created by uncompensated automobile accidents, he declared there is no doubt that proper enforcement of model laws will go a long way toward compelling payment of judgments and will exercise a strong influence in bettering safety records.

Hartford Steam Boiler has declared its customary extra dividend of 40 cents payable Dec. 1 to stock of record Nov. 21.

Give your prospects **Peace of Mind** and join the exclusive **Door Nob Club**. For details write Casualty Insurer, 175 W. Jackson Blvd., Chicago.

POINTERS FOR LOCAL AGENTS

Program and Survey Forum of Constructive Selling

Dudley F. Giberson of Alton presided over a forum at the meeting of the Illinois Association of Insurance Agents covering the general subject of "Program and Survey Selling." He referred to a statement made by Western Manager E. D. Lawson of the Fireman's Fund, who declared that agents in a sincere but misguided effort to sell various forms of inland marine, all too frequently took company men with them to assist in selling their wares. He said it would be much wiser for the agents to acquaint themselves with the special selling technique and all other valuable information which the company men possess and then in turn use this themselves. No doubt, said Mr. Giberson, the original impetus for insurance surveys came from company headquarters. He thinks that it is much better for an agent to make his own survey inasmuch as he is entirely familiar with the problem.

Tells of His Own Blank

Mr. Giberson spoke of the survey which his office has used with success. In the first part, there is inserted a letter acknowledging and thanking the client for permitting the agency to make the survey. In the recommendations the agency specifies three groups of coverages which are uninsured exposures. First is the "Vital Coverages" which the Giberson agency believes are necessary for complete protection against losses which may reach disastrous proportions. Secondly, come the "Advisable Coverages," which are of secondary importance, and then the "Available Forms" which should be considered only after the first and second class but which should be taken into consideration.

Fire Section of the Report

The second part of the report may be called the fire section, he said. In that is discussed the client's problems one by one. One portion may deal with building insurance at a stipulated location, another with contents insurance, etc. The existing insurance is tabulated and the proposed coverage, including perhaps a list of the perils insured under the proposed plan, is given. Then is discussed the suggestions for correcting existing policies. This should include the rate and engineering report.

Next is included a resume of the existing casualty coverages with an estimate of present cost as well as suggestions and recommendations, if any, are necessary.

Uninsured Exposures

In presenting the final and perhaps the most important part of the survey, which deals with uninsured exposures, there should be used clear, concise illustrations to demonstrate the extent and importance of those which may be covered by insurance that is listed under the headings of vital, advisable or available.

He illustrated the vital uninsured exposure, mentioning business interruption insurance. It covers the following items: Net profits on the business which is prevented by fire. Next, fixed charges and expenses which necessarily continue during the suspension of business and which would have been earned had no fire occurred. Then, expenses which are necessarily incurred for the purpose of reducing the loss under the policy.

As an illustration of the advisable type, Mr. Giberson mentioned rent insurance. He said, "In case your building should be rendered untenable by fire, lightning, windstorm, hail, explosion, riot, aircraft damage, etc., the company will pay the rent up to the amount of the policy during the time it will require to put the premises in tenantable condition."

As a sample of the available type he referred to safe deposit box insurance covering loss by burglary of securities, jewelry and silverware if such are kept in the box. It is not much additional trouble, he said, to include under each of these descriptions of the coverages the policy amount, term and cost.

CASUALTY SURVEYS

C. F. Daniels of Chicago, special agent of the Eagle Star, took up casualty insurance surveys. He formerly was connected with a large local agency in Chicago and therefore had an opportunity to study the casualty end. His outline was as follows:

- I. Why casualty surveys are important.
 - A. Many classes of exposure.
 - B. Catastrophe possibilities.
 - C. Deal often with third party bodily injury claims—and jury suits.
- II. Why casualty surveys are difficult.
 - A. Only one universally standard form of casualty policy—workmen's compensation.
 - B. Lack of uniformity in language used by different companies in policies intended to provide identical coverage.
 - C. Unlimited exposures to loss of casualty nature—requires more knowledge.

Division of Policy

III. Division of policy for analysis purpose.

A. Insuring agreements must be studied.

1. Examples:
 - a. Indemnity compared to insurance contracts.
 - (1) Danger of indemnity policy.
 - b. Products P. L. covered bodily injuries not "illness" in case of beverage manufacturer.
 - c. Measure of liability—bodily injury occurring during policy period plus contingency that it must occur from consumption of product sold during policy period. In case of beverage manufacturer—the latter should be omitted from policy. Differs there from manufacturer of electric razors.

B. Exclusions considered for the individual risk in question:

1. Contractual liability.
 - a. Leases must be examined.
- b. Purchase contracts must be studied.
- c. Switchtrack agreements must be studied.
2. In auto policy—
 - a. Age limit.
 - b. Some exclude accidents while car is driven by person under influence of intoxicants.

Actions of the Assured

C. Conditions surrounding actions of assured in event of accident or loss and cooperation of assured in general:

1. Quote condition in mutual auto policy relating to cooperation of assured in safety work and accident prevention.
2. Advise assured of requirements in

event of accident. Immediate written notice, etc.

D. Declarations:

1. Why important—truth of statements made therein (other than estimates) is basis for entire contract.
2. "No exceptions" used too frequently and with too little thought.
3. The printed declarations must be read first to determine whether type written inserts are correct.
4. Quote case of auto policy wherein assured states he has never sustained a claim on account of an auto accident.
5. Quote case of manufacturer's P. L. policy in which assured says he uses no explosives, yet he had quarrying operations with occasional blasting.

IV. Uninsured Exposures—

- A. Approach to premiums.
- B. Vital information for assured and for you if you are to be assured's insurance counselor.

V. Agency requirements to prepare the survey—

- A. Thorough and complete knowledge of policies, rules and coverages.
- B. Thorough and complete knowledge of client's operations.
- C. Sincere appreciation of the responsibility of insurance analyst and counselor.

PROFITLESS PRICES

B. A. Jochen of New York City, assistant United States manager of the Eagle Star, participated in the Giberson symposium and discussed, first, the consumers' movement and then took up fire insurance surveys. His outline covering the consumers' scheme he denominated "profitless prices." His outline is as follows:

Four avenues of approach to the insurance buyer:

Comparison of the financial security "back of the policy."

Improvement of stock company agency service to policyholders.

Organization of city campaigns to illustrate the purchasing power of the combined company and agency personnel residing there.

Appeal to the insurance buyers' inherent belief in the profit system as opposed to the cooperative system.

Progress along first three avenues, thanks to F. S. Dauwalter, National Association of Insurance Agents and company field men.

Lack of progress along fourth avenue.

Description of Consumers Mail-Order Cooperative, Inc.

Address: 125 West 33rd street, New York City.

Cost of membership \$2 annually, \$10 life.

Consumers Digest—discount from 20 to 33 1/3 percent.

Each agent should equip himself with digest, by communication, from home address.

Lack of Progress Seen

Lack of progress along fourth avenue of approach—our past statements on mutualization of other forms of business.

Lack of concrete evidence to prove our claim.

Mistake of trying to discredit cooperative insurance and cooperative system in the absence of such evidence.

Considering human nature, such approach simply closes mind of buyer.

Need to revise our selling methods and keep prospect's minds open while we reason with him.

Usefulness of the "Consumers Digest."

Concrete evidence of the development of consumer cooperatives in U. S. A.

Proves beyond argument that business other than insurance can be mutualized.

Chief distinction is that use by agent requires no special preparation.

Message is so simple that even most uninformed merchant can sense its implications.

Need to use it as means of illustrating interdependence of profit system, avoiding attempt to discredit cooperative system.

Use of Consumers Digest.

Let merchants thumb through pages so that they can note merchandise and discount.

Make it clear it is not at all our purpose to prove cooperative system wrong.

Our purpose only to point out merchants who support cooperatives cannot expect customers' support when consumer cooperatives appeal at profitless prices.

This reasoning must be presented to top executives of store.

Progress of Cooperative Plan

Progress of cooperative system in Europe.

In Sweden for last year reported, one-third of entire retail trade dealt in by cooperatives.

Also 10 percent of wholesale and manufacturing trade.

In British Isles one-sixth of population belongs to consumer societies, who conduct one-eighth of retail trade.

This line of attack adapted to manufacturers as well as to wholesalers and retailers.

Manufacturers who sell to consumer cooperatives only help build strong competition for themselves.

European record shows that consumer cooperatives eventually build factories of their own and supplement them with warehouses, steamship lines, and railroads of their own.

Studies of current public opinion, just released by "Fortune," prove three-fourths of Americans believe in profit system.

Appeal to this conviction by being a student of human nature as well as of insurance.

FIRE SURVEYS

In connection with his surveys his outline follows:

Effective ideas for fire insurance surveys.

Need for such surveys.

Average commission 22 percent.

Cost of writing policy only few percent.

Difference is premium customer pays for agency service.

No divine right to commissions.

American agency system cannot last unless it gives value received for such difference.

Equip yourself to sell accounts.

Need to get started.

Organize plan of procedure.

Decide to survey every risk of importance now on own books.

Decide to complete—say, one each month.

Attack new risks by surveys later.

Insurance Knowledge Needed

Knowledge needed.

Working knowledge of each line written by fire companies.

Devote, say, half hour daily to such study until such working knowledge is obtained.

Thereafter intermittent study always necessary.

Time needed.

(CONTINUED ON PAGE 44)

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FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Honor Hildebrand at Lansing Dec. 6

LANSING, MICH.—Waldo O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, will be honored on completing his first year of service by the Lansing association at a dinner on Dec. 6, which will be both a testimonial and a "welcome to Lansing." Guests from all sections of the state have been invited.

The date for "Hildebrand night" coincides with that of a conference here of the state association's governing committee and an augmented membership committee, all of whose members will be in the city and will remain over for the testimonial dinner. Ray Throop, president Lansing board, has been working out details of the program with President Martin Mullally of Muskegon. Over 150 guests are expected. The department will be represented by several officials although Commissioner Gauss will be attending the mid-year commissioners' session. First Deputy Horace B. Corell and Seth Burwell, head of the licensing division, will attend. Several of Mr. Hildebrand's close personal friends outside the business have also been invited, including Charley Gehringer, second baseman of the Detroit "Tigers."

There will be no set speaking program but several association officers will be called on for remarks by Toastmaster Ralph Goodell, Dyer-Jenison-Barry Company and Lansing Insurance Agency.

H. F. Gross Elected as President of Iowa Mutuals

DES MOINES.—At the annual meeting here of the Iowa Association of Mutual Insurance Associations H. F. Gross, president Iowa Mutual Tornado, Des Moines, was advanced from vice-president to president. L. E. Hendricks of Spirit Lake was named vice-president and H. L. Gross of Des Moines re-elected secretary. Directors named for three-year terms are Fred Gilbert, Odebolt; L. T. Jones, Des Moines; M. T. Moeller, Sioux Center; R. B. Goode, Des Moines, and C. A. Norman, New Providence.

The meeting was the largest ever held in Iowa, with over 500 attending, including many out-of-state visitors. Fifteen out of 17 of the state mutuals which are members of the Iowa association and 98 of the 130 member county mutuals were represented.

Mrs. Irma L. Dooley, secretary of the Farmers Mutual of Muscatine, was named president of the women's auxiliary at a luncheon and business session with 101 in attendance. She served as vice-president last year. Mrs. Lester T. Jones of Des Moines was elected vice-president and Mrs. L. L. Stoner, North Liberty, secretary-treasurer.

Topeka, Kan., Women Organize

TOPEKA, KAN.—The Topeka Association of Insurance Women has been organized with Mrs. Grace Beattie Buck, A. A. Rodgers agency, as president; Mrs. Clara Sheffer, Stephenson-Webb agency, vice-president; Miss Helen B. Sumey, W. R. Falkner agency, secretary, and Miss Marjorie R. Wilson, Meade Investment Company, treasurer. Directors are Miss Margaret Lodge, C. G. Blakely agency; Mrs. Ruth Major, Brier Insurance Service, and Miss Lillian Vinson, Freeman Bell agency. Twenty-three women have already joined but those that make

membership application by the next meeting in December will be considered charter members. It is expected there will be at least 35. Those eligible to membership are the women connected with agencies affiliated with the Topeka Insurers, with the Kansas Inspection Bureau or working for field men living in Topeka whose company is represented in a Topeka Insurers agency.

Bank May Lose in Rate Case

Attorney-general McKittrick of Missouri has brought an action against the Central Missouri Trust Company of Jefferson City to recover the full amount (\$2,748,265) plus 6 percent interest that was paid into that bank by the fire companies in the old 10 percent rate reduction case. The bank is prepared to pay back all of the money except \$390,000. That amount was disbursed in payments to policyholders and in fees to the custodians, their lawyers and for expenses of administration.

Several months ago the Missouri supreme court ruled that the Cole county circuit court was without jurisdiction to appoint the custodians and that all orders entered by the circuit court were void.

McKittrick alleges that the officers of the bank knew that the insurance superintendent was the lawful custodian of the fund and that the Cole county circuit court and the custodians were attempting to administer the fund contrary to law.

About a week before McKittrick brought his action, the bank asked the Cole county circuit court to enter a decree declaring that the bank had acted properly in paying out the \$390,000. The bank contended that it had no reason to believe the circuit court was without jurisdiction.

Minnesota Mutuals Elect

At the annual meeting of the Minnesota Association of Mutual Insurance Companies in Minneapolis, the following officers and directors were elected: President, H. L. Hjermstad, Citizens Fund Mutual, Red Wing; vice-president, J. E. Kidd, Implement Mutual, Owatonna; secretary-treasurer, A. J. Dahlstrom, Minneapolis; directors, John A. Buxton, Minnesota Implement Mutual, Owatonna; E. H. Moreland, Tri-State Mutual, Luverne; Mr. Hjermstad; S. T. Sager, Austin Mutual, Minneapolis, and Mr. Dahlstrom.

S. T. Sager, Austin Mutual, Minneapolis, was elected director to represent the Minnesota association on the board of the National Association of Mutual Insurance Companies.

Two Grand Rapids Courses

GRAND RAPIDS, MICH.—The Grand Rapids Association of Insurance Agents has started two courses for members. A course on fire, casualty and inland marine coverages is being instructed by R. O. Young, North America; R. H. Wood, Home of New York, and R. B. Notestine. E. W. Dunn, attorney, is giving a public speaking course.

Vernor in St. Louis. Milwaukee

Statistics show that more than 40 percent of American industries which suffer severe fire losses never resume operating because they cannot survive the almost endless chain of indirect losses following the fire itself. R. E. Vernor, Western Actuarial Bureau, Chicago, declared in a talk before the St. Louis foremen's safety training course.

Mr. Vernor also spoke at the fire prevention school operated by the Milwaukee

waukee association of commerce on "An Industrial Hot Box." Over 2,500 managers, superintendents, foremen and others in a supervisory capacity attended. A ventriloquial skit, sponsored by Mr. Vernor and J. Burr Taylor, Western Actuarial Bureau, aided and abetted by the stooge "Chief Shorty Smudge," was presented.

Dodge County Agents Elect

HORICON, WIS.—William Liebig, Beaver Dam, was elected president of the Dodge County Insurance Agents Association at the annual meeting here, to succeed Hugo Roll of Hustisford. H. A. Bird, former president the Wisconsin Association of Insurance Agents, was elected vice-president, and George Frederick, Beaver Dam, reelected secretary-treasurer.

Farewell Dinner in Aberdeen

A dinner is being held in Aberdeen, S. D., Nov. 29 for Fred E. Dowdell, resident adjuster for Western Adjuster at Aberdeen, and for Jack A. Reynolds, also of Aberdeen, who are retiring from active service because of the condition of their health.

Boyle Clark Is Superseded

Insurance people are interested in the fact that Boyle G. Clark of Columbia, Mo., is no longer chairman of the general bar advisory committee of his state. This is the committee that has been seeking to prevent insurance companies from patronizing adjusters who are not licensed lawyers. He is the defendant in the case brought by six mutual casualty companies on this issue.

The new chairman of the committee is E. W. Jones of Columbia. He was chosen by the Missouri supreme court. Under the new setup, the chairman gets a salary of \$5,000 and is not permitted to engage in the general practice of law.

Safety Campaign Aid Sought

WICHITA, KAN.—At a meeting of the Wichita Insurers, a safety engineer of the Wichita police department solicited aid in a coming traffic safety campaign. Vice-president V. L. Henry presided. Progress was reported on an intensive business reciprocity campaign similar to the campaign of the Hutchinson Board last year.

New Cleveland Members Approved

CLEVELAND.—As a result of the change in the Cleveland Board's membership requirements, the following have been approved as new members: J. M. Anthony, Estabrook & Co., Albert E. Einstein, Raymond E. Lawrence, G. W. Ostrom, and Ansel E. Beckwith, all of Cleveland; Eugene P. Nichols of Chagrin Falls; and Dillow Agency, of Brecksville.

Minnesota Adjusters Meet Nov. 28

ST. PAUL, MINN.—The first fall meeting of the Minnesota Insurance Adjusters Club probably will be held Nov. 28.

Hold Nebraska B.D. Meeting

LINCOLN, NEB.—A Business Development meeting was held for the eight counties comprising Nebraska's fourth district, with 175 agents attending. S. E. Copple presided, aided by R. E. Murphy, Northwestern Fire & Marine, and M. H. Rodgers, New Hampshire. Merchandising new insurance models and approach and handling were covered by L. Cecil Simpson, Fairbury, chairman executive committee, Nebraska Association of Insurance Agents; the futility of price appeal by

H. D. Gish; insurance cooperatives by C. M. Reed; public relations, J. E. Cryan, America Fore; small town campaigns by E. V. Neuberger, Hartford Fire, and farm programs by Glenn L. Cavanaugh, Omaha general agent.

Yetka Speaks in Duluth

DULUTH, MINN.—Commissioner Yetka of Minnesota spoke at a meeting of the Duluth Underwriters Association.

Logan County, O., to Organize

Local agents of Logan county, O., at a meeting at Bellefontaine, took steps to organize a county-wide association. John A. Lloyd, secretary Ohio Association of Insurance Agents, conferred with them and outlined plans of organization.

Wichita Tax Is Reduced

WICHITA, KAN.—The Wichita occupational tax ordinance has been amended as to insurance companies and reduced from \$50 to \$15 annually for agents of companies with home offices outside of the city and from \$25 to \$10 for agents of companies with home offices in Wichita. The higher tax had been in effect nearly 20 years. It applies to all but fraternal, including life, fire and casualty companies.

Form Monticello, Ind., Board

Monticello, Ind., local agents have organized a local board with Harold C. Phend, president; Frank D. Roberts, vice-president, and T. V. Koontz, secretary-treasurer. R. L. Dubois, North British & Mercantile, chairman Business Development committee, and J. R. Hull, Union, assisted in perfecting the organization.

Ohio Blue Goose Dinner Dance

The annual December dinner dance of the Ohio Blue Goose will be held Dec. 5 at the Scioto Country Club, Columbus.

License Protest Dismissed

LINCOLN, NEB.—Insurance Director Smrha has dismissed the protest against the issuance of a license to A. L. Johnson, who recently established an agency in Lincoln. He had been a full-time employee of L. L. Coryell & Son, real estate and oil operators, and had charge of placing their large insurance lines. Later he went on part time with that company, and opened his agency, which secured part of the line. Mr. Smrha said no evidence had been produced to show any rebating, but that Mr. Johnson's books and bank account showed full premiums had been paid and none of it rebated.

To clear up the situation, Mr. Johnson notified the department that he was no longer in the company's employ, and would devote his entire time to agency work.

Mayor Talks to Cuyahoga Board

CLEVELAND.—Mayor Burton of Cleveland spoke at the annual installation dinner of the Board of Independent Fire Underwriters of Cuyahoga county.

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Reply in own handwriting, giving all qualifications, experience, age, references, etc.

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Mayor Burton told of the fire and crime prevention work of the Cleveland fire and police departments.

Past President E. H. Smith installed the new officers: Gardner Graydon, president; E. A. Straus, vice-president; Mrs. Esther Vetter, treasurer; R. J. Kniola, secretary; and three trustees—C. B. Aldridge, H. H. Bell and E. H. Smith.

R. C. Hyre, recently appointed executive manager, outlined the newly adopted code of business principles.

Milwaukee Board Appointments

MILWAUKEE.—Val Gottschalk, president Milwaukee Board, has announced committee appointments. Chairmen are: Monroe Porth, conference; Ralph Martin, office; Joseph Holzhauer, auditing; L. C. Hilgemann, legislative; Monroe Porth, by-laws; R. J. Schauer,

county jurisdiction; William Koch, casualty conference; Robert Elsner, educational; Henry Eckstein, fire prevention and safety; A. S. Walsh, publicity; R. E. Brandenburg, public relations; T. Z. Clayton, public property; Edwin Eckstein, dinner committee, and A. S. Walsh, 75th anniversary.

Oklahoma Agents Busy

OKLAHOMA CITY—The Oklahoma Insurance Exchange is now taking up in a thoroughly business-like manner the securing of information from its members as to persons doing business with each agency. An agency information sheet is sent out to secure full data as to every agent or solicitor attached to an office. The organization is seeking to revise its by-laws to facilitate cleaning up all agencies in co-operation with companies.

under which property of (sic) such liability is insured has been filed in accordance with the provisions of this act, nor shall any fire, tornado and plate glass insurance company or any liability insurance company write any insurance at a rate different from that named in this schedule or remit or refund in any manner or by any device any portion of the rates so established or extend to any person any privileges or inducements except as specified in such schedule."

Oklahoma Commissioner Files His Recommendations

OKLAHOMA CITY—Commissioner Read in his recommendations to Governor Marland went "definitely on record" favoring abolishment of the state insurance board, incorporating its responsibilities directly under the commissioner, and for transfer of management of the state insurance fund from the present arrangement to be placed under supervision of the governor.

Mr. Read does not mean that the governor personally become manager of the fund, but that he appoint some central agency or person to become responsible for its management. It could be lodged in one of the elective offices, probably the state labor commissioner, he said. The main point is that it needs to be placed in the hands of an individual rather than a board or commission.

Gives Figures on Fund

He pointed out the fund had 764 policies in force at the end of October, with fewer open claims than ever before. Surplus has grown to \$169,824. There are 675 workmen's compensation policies. A reinsurance treaty has been negotiated with American Reinsurance of New York.

Referring to the insurance board, Mr. Read said the board has completed in recent years a more efficient system of licensing fire, casualty and life agents. An examination is required of each agent desiring to enter the business.

Rates for workmen's compensation and automobile liability insurance have been substantially reduced during the last year, Mr. Read noted.

The same recommendations in Mr. Read's department will be made to Gov-

IN THE SOUTHERN STATES

Arkansas Agents to Have Autumn Rally

The Arkansas Association of Insurance Agents will hold its fall convention at the Marion Hotel, Little Rock, Dec. 8. G. S. Purifoy of Camden is president and will preside. The program is as follows:

Morning Session

"Building Premium Volume Through Solicitation of Renewals:"

The Contract, W. R. Smith, special agent Firemen's, Little Rock.

Sale of the Contract, Miss Clara McPherson, Stuttgart; Ed Westman, Arkansas Valley Trust Company, Fort Smith.

Insurance Surveys, Frank R. Tomlinson, Pine Bluff.

Automobile Financing by Local Banks, Louis E. Hurley, W. B. Worthen & Co., Little Rock.

The Business Development Office, Albert R. Menard, assistant director, New York.

Afternoon Session

"Building Premium Volume Through Sale of Miscellaneous Casualty Lines:"

The Contract, Frank Mebane, manager Maryland Casualty, Little Rock.

Sale of the Contract, Alcorn Minor, Minor-McCartney Agency, Newport.

Judicial Bonds:

The Contract, Thos. T. Wilson, manager U. S. F. & G., Little Rock.

Sale of the Contract, J. Rich, Batesville.

Local Agency Advertising, Robert Jamison, Clarksville.

Operation of the Audit Bureau, James M. Lester, manager audit bureau Arkansas Fire Prevention Bureau, Little Rock.

Workmen's Compensation, W. M. Apple, manager casualty and surety department, L. B. Leigh & Co., Little Rock.

Extend Louisville Protection

LOUISVILLE — County-owned property within five miles of the city limits was assured of fire protection, at least until July 1, when the fiscal court promised to pay the city \$7,500 for protection until that date. The city will negotiate with private county industries in a move to charge them fees for fire runs.

Meanwhile, since the action only provides temporary protection, the officials pledged themselves to work for legislation at the next session of the general assembly which would form fire districts whose residents could be taxed for fire protection.

Plan Blackwell, Okla., Exchange

Local agents of Blackwell, Okla., have appointed a committee to outline a constitution and bylaws to submit at a later meeting, when the question of organizing a Blackwell Insurers' Exchange will be determined. On the committee are E. C. Hermes, William Ralston and F. W. Wiles.

Higher Loss Ratio in South This Year

ATLANTA—While no authentic figures can be given until the 12 months experience is in, it is the general belief that loss ratios will be slightly higher in the south this year than last with another drop in volume of business. It is thought that the loss ratio will run around 45 percent, as compared to approximately 43 percent last year and that premiums will show a slump of perhaps 5 percent under 1937.

So far, it appears that more cotton has been insured this season than for the corresponding period of last year. The remarkable feature is that there have been practically no cotton fires, so far.

General cover pools are showing a slight increase in volume of business on account of an increased movement of merchandise from wholesale to retail houses, which indicates an economic ascendancy—whether temporary or permanent.

Activities of mutuals continue to bring loss of lines to stock companies, this being due largely to the fact that a number of mutuals are operating through local agencies now instead of direct as in the past.

Oklahoma Board Seeks Deviation Case Rehearing

OKLAHOMA CITY—The state insurance board has filed an application with the state supreme court for rehearing of the case in which that tribunal recently decided that insurers may file schedules of rates that differ from the manual tariff approved by the insurance board. The companies involved are American Druggists Fire of Cincinnati and Utilities of St. Louis.

The supreme court held that insurers may use their own schedule of rates if they are held by the insurance board to be reasonable.

The brief for rehearing refers to the condition that existed before the insurance board was created in 1915. In that year a law was passed requiring insurance companies to file a general basis schedule. The board under the law investigated the filings and had the power to establish the rate. Any company not satisfied with the rate could file an application for change in the general basis schedule.

The brief requests the supreme court to construe section 10537 of the insurance laws, contending that the court failed to take cognizance of that section in its first provision. That section reads:

"No insurance company shall engage in the insurance of any property, or against the legal liability of employees in this state, unless the schedule of rates

You back your sales efforts with adequate facilities when you become an agent for this company. Write.

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ernor-elect Leon Phillips when he takes office after the legislature convenes Jan. 3.

Agents Head Chest Campaigns

A number of men prominent in the Oklahoma Association of Insurers are heading Community Chest drives in their cities. Ancel Earp is chairman of the Oklahoma City drive, Clifford Wetzel in Ponca City and Addison Sessions in Okmulgee.

Seek Amendments in Texas

DALLAS—New laws dealing with insurance ethics, coercion of insurance by loan and finance companies and improvement of insurance forms are being sponsored by the Texas Association of Insurance Agents. The amendments to the insurance code will be proposed at the coming session of the legislature.

The proposed laws are being discussed at regional meetings, which will be continued through the remainder of the year and the first months of the new year.

Texas Meet at Amarillo

AMARILLO, TEX.—The semi-annual meeting of the seventh district of the Texas Association of Insurance Agents was held here with local agents from the Texas panhandle in attendance.

D. A. Clark, Sweetwater, state president, presided at all sessions. D. G. Foreman, executive secretary; Fire Commissioner Hall, and Casualty Commissioner Waters were speakers.

The meeting was sponsored by the Amarillo Association of Insurance Agents, of which Jeff Neely is president.

Elizabethton, Tenn., Organized

The Elizabethton (Tenn.) Insurance Exchange has been organized with J. B. Miles, president; Mrs. Beatrice H. Miller, vice-president, and G. J. Holly, secretary-treasurer.

Regional Rally at Lawton, Okla.

The first regional meeting of the Oklahoma Association of Insurers was held at Lawton, attended by 60 members and field men. About 12 towns were represented. Following each address, the subject discussed was submitted to the members in an open forum, conducted by the speaker. John A. Bosdett, Royal-Liverpool, spoke on cotton insurance in Oklahoma. C. G. Lund, America Fore, discussed mutual companies and the effect on stock organization.

McGuire with West & Co.

Philip McGuire, who has been manager of the fire and casualty department of the N. H. White Company, San Antonio, Tex., has been appointed special agent of Floyd West & Co. of Dallas for southwest Texas, with offices in the Travis building, San Antonio.

Changes in San Antonio Agency

F. R. Walter, formerly of the Hall, St. John & Walter agency, San Antonio, Tex., has become associated with the Baker & Elliot agency under the firm name of Baker, Elliot & Walter. Mrs. C. D. Hall will continue the agency of her late husband, who was a member of Hall, St. John & Walter.

Places Insurance with Board

SAN ANTONIO, TEX.—F. F. Ludolph, secretary of the San Antonio Exchange, has announced that the San Antonio housing authority, slum clearance project, will place its insurance through the exchange.

Jackson, Tenn., Agents Solidified

Since the Jackson (Tenn.) Insurance Exchange was organized six months ago it has made great strides in cementing its people. Its membership consists of

stock company agencies and they are wholeheartedly for the exchange in its rule prohibiting anyone representing participating companies from joining. Secretary J. E. Seaton states that there is a finer feeling among the agents in

his city than he has noticed in the last 14 years he has been in the business. Manager J. D. Saint of the Tennessee Association of Insurance Agents addressed the exchange, giving a "buy-at-home" message.

PACIFIC COAST AND MOUNTAIN

Commence Hearings on Montana Agents Law Cases

The federal court at Helena this week is scheduled to commence hearings in the two cases brought by fire companies testing the constitutionality of the Montana countersignature law. That statute requires that the countersigning agent must get the full commission.

The suits are to prevent Commissioner Holmes from revoking the licenses of the companies.

The case of Springfield F. & M. vs. Holmes involves writing insurance on Anaconda Company holdings by Johnson & Higgins. It grew out of the refusal of Springfield F. & M. to pay a full commission to J. H. Heilbronner of Butte.

The other case involves New Brunswick Fire and will be tried jointly with that of Springfield F. & M.

California Producers Prepare for Legislative Problems

SAN FRANCISCO—The organization of the Associated Insurance Producers of California by representatives of the California Association of Insurance Agents, Society of Insurance Brokers, Insurance Brokers Exchange and California State Life Underwriters Association, gives insurance a common front in handling legislative problems. In its official bulletin, the organization says that it is formed "for the purpose of considering problems of mutual interest and concern to the producing forces of the insurance business in California with the objective of cooperative and uniform action in solving these problems to better protect the interests of the insurance buying public."

In addition to the officers already announced Clarence W. Peterson will represent the California State Life Underwriters Association as second vice-chairman.

Pasadena Local Board Is Sponsoring Lecture Course

The Pasadena (Cal.) Association of Insurance Agents is sponsoring a series of eight free lectures on insurance subjects. Lectures already have been given on "Insurance Law and the California Code," by Robert Palmer, University of California; "State Compensation," Prof. Maurice Campbell of the University of California and state workmen's compensation board, and "General Liability and Products Liability," Ernest Newman, Indemnity of North America.

Those still to be given are: Nov. 29, "Fire and Allied Lines," J. T. Brocksieper, state agent America Fore; Dec. 6, "Inland Marine," Frank Hutchinson, Pacific National Fire; Dec. 13, "Accident Insurance," W. E. Mast, California Agencies; Jan. 10, "Automobile Lines of Insurance," G. E. Laffey, automobile manager St. Paul-Mercury Indemnity; Jan. 18, "Financial Statements of Insurance Companies," lecturer yet to be chosen.

Bowley to Head Brokers

SAN FRANCISCO—D. B. Bowley, who was appointed first vice-president of the Insurance Brokers Exchange of San Francisco about two months ago to succeed J. H. Voorsanger, resigned, has been nominated for president. Election will be at the annual meeting on Dec. 15. He will succeed Stephen Malatesta, who has served four years and who is

credited with much of the marked progress made during this period.

Other officers nominated are E. Pym Jones, first vice-president, and R. D. Connolly, second vice-president. W. E. Bouton, G. W. Jones, Jr., and Mr. Malatesta have been nominated for governors for terms to expire in December, 1940. H. S. Henderson and W. P. Simi are nominated for membership on the arbitration committee, terms to expire in June, 1940.

Commissioner Goodcell will be the guest of honor at the annual Christmas party and jinks of the Insurance Brokers Exchange on Dec. 19. Early reservations indicated a gathering in excess of 500.

Wells in Oregon Legislature

Harvey Wells, Portland general agent and former Oregon commissioner, was well up among the winners for the legislature on the Republican ticket.

Roberts Discusses New Contract

SALT LAKE CITY—At the Salt Lake Fire Association November meeting J. H. Roberts, district secretary Pacific Board, explained the policy provisions of the proposed new uniform fire insurance contract.

Ask Surplus Line Association

OLYMPIA, WASH.—Commissioner Sullivan has been asked to encourage the foundation of a Surplus Line Brokers Association in Washington by the Insurance Agents League. Action favoring the proposal was taken at the executive meeting with some 35 in attendance. A formal resolution was adopted and submitted to the commissioner.

An explanation of the plan for formulating the Surplus Line Brokers Association was offered by W. R. Lowmsbery, assistant manager Swett & Crawford.

San Francisco Women Elect

SAN FRANCISCO—Mrs. Alyce West has been reelected president of the San Francisco Insurance Women's League; Evelyn Young, vice-president; Lucille Davis, secretary, and Gertrude Braun, treasurer. Ten new members were initiated. Dec. 15 has been set for the annual banquet and Christmas party, when new officers will be installed. John H. Martin, assistant manager Standard Forms Bureau, will be Santa Claus.

Achenbach Again on Committee

W. N. Achenbach of Chicago, western manager of the Aetna Fire, has been appointed to the supervisory committee of the Rocky Mountain Fire Underwriters Association by the Western Underwriters Association. He has already served a four-year term.

Berry with Reed & Co.

DENVER—Charles D. Berry, formerly with W. E. McCullough, has been appointed field man in the Denver territory for Reed & Co., general agents.

Denver Women Hear Kulp

DENVER—Walter Kulp, manager Mountain States Inspection Bureau, installed officers of the Insurance Women of Denver and spoke on "Why a Rating Bureau?" The officers are: Elsie B. Mayer, Rockwell Investment Co., president; C. Bertha Rachofsky, Wilson-Creech Agency, vice-president; Alice O'Neill, New Amsterdam Casualty, secretary; Teckla Whitlock, W. S. Mc-

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Sales efficiency methods of hundreds of successful agents have been analyzed and molded into a money-making, time-saving plan of action for you. No theory—just sound selling practices that have been tried and proven.

It's called PRACTICAL PROSPECTING.

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Have this complete plan laid out before you without any obligation whatever on your part. Simply address an inquiry on your own business letterhead to the Millers National Insurance Company, Sales Promotion Department, 175 West Jackson Blvd., Chicago.

Clain Agency, corresponding secretary; Mildred Muller, Shirley Loan Co., treasurer. Members of the executive committee are: Hazel Burkett, Stough-Vincent; Ruth Voss, Cobb & Stebbins; Madeline Thurston, Daly Agency, and Evelyn Dunn, Griffith Insurance Agency.

Cole to Albuquerque

DENVER—C. E. Cole, for 17 years inspector of the Mountain States Inspection Bureau here, has been transferred to Albuquerque as district inspector in New Mexico. He replaces D. W. Flickinger, who has been retired due to ill health.

Bar Participating Company Agents

DENVER—Agents of dividend paying stock and mutual companies will not be eligible for membership in the Denver Association of Insurance Agents under an amendment to the constitution just adopted. It will exclude, among others, agents of the General of Seattle. However, the amendment is so worded that it will not confine membership to members of the Rocky Mountain Fire Underwriters Association.

Page Quits Chamber of Commerce

Charles Page, formerly with the Pacific Coast department of the Hartford companies, and for the past two years manager of the San Francisco Chamber of Commerce, has resigned from that position in which he has won recognition as a civic worker and leader. Mr. Page, who is a son of Charles R. Page, president of the Fireman's Fund group, will remain until his successor is appointed.

Install Blanket Club Officers

SEATTLE—At the birthday party of the Seattle Blanket Club, with George W. Clark in charge of arrangements, new officers were installed: President, Val Weber, United Pacific; vice-president, Tileston Grinstead, American

Bonding; secretary, William King, United Pacific; treasurer, Wallace Corbett, C. B. DeMille General Agency.

F. L. Emery, Fireman's Fund special agent, spoke on the opportunities for young men in business and offered suggestions for capitalizing on well-directed efforts.

White Asks Aid for Auto Club

SAN FRANCISCO—C. Elmer White, new president of the California Association of Insurance Agents, has called upon members to put on an aggressive campaign during the next month to obtain members for the National Automobile Club, owned and operated by the member companies of the National Automobile Underwriters Association. Mr. White pointed to the assistance rendered the agents in defeating the highway commission plan on the recent election ballot. The amendment was sponsored by two reciprocal insurance automobile clubs.

To Feature Rural Fire Control

The subject of rural fire control will be featured at the meeting in Chicago Nov. 30 of the agricultural committee of the National Fire Waste Council sponsored by the U. S. Chamber of Commerce. The principal speaker will be P. J. Sletterdahl, editor "Northwest Insurance," on "The Establishment of Rural Fire Control in the Northwest." D. C. Smith of Chicago is chairman of the committee. He is executive special agent for America Fore in the farm and hail department.

On Nov. 29, at the same place, will be held the annual meeting of the farm committee of the National Fire Protection Association. Arthur von Thaden, assistant manager of the insurance department of the U. S. Chamber of Commerce, is secretary of that committee.

John Shipley, an adjuster for the Fireman's Fund at Spokane, Wash., was married to Miss Rhea Richard of Portland.

EASTERN STATES ACTIVITIES

Companies Control Philadelphia Board

PHILADELPHIA—Hopes of Philadelphia agents that the annual meeting of the Philadelphia Fire Underwriters Association would find them successful in their fight for an active voice in the organization were dashed when three branch office managers were elected to the advisory committee, giving the companies a majority on the committee.

Last May, the six agents on the committee resigned in a body because, they contended, the advisory committee had been relegated to the position of a rubber stamp for the companies. Under the rules of the board, when a vacancy occurs on the committee, it must be filled by a vote of a quorum of the committee. However, the mass resignation prevented any quorum.

Following the election of W. T. Mills, Jr., Liverpool & London & Globe; Eugene McColley, Hartford Fire, and Edward McAuliffe, Corroon & Reynolds, to the committee, the Philadelphia Insurance Agents Association met and adopted the following statement:

Statement by Agents

"For the first time in the history of the Philadelphia Fire Underwriters Association, the entire control of the executive committee has been taken over by the companies through the election of three branch office managers to this committee.

"It will be recalled that six agency men resigned last May as a protest against the committee having been relegated to the position of a rubber stamp committee, and since that time nothing has been done with these resignations of agency members.

"The action taken today places the entire control of the management of the Philadelphia Fire Underwriters Association and Middle Department Rating Association in the hands of the companies, whether this is to the best interests of the public or not."

The election of Messrs. Mills, McColley and McAuliffe gives the companies six members on the committee, constituting a strong majority. They are to elect the other three members but agents contend that they will refuse to accept election as long as present conditions remain.

Betterley Urges Change in Worcester City Insurance

WORCESTER, MASS.—A survey of municipal insurance protection reported to the city council by P. D. Betterley charges that present policies cover non-existent property and that high insurance costs have resulted from inflationary valuations of city property and lack of competition. Partial self-insurance, concentration of buying, use of blanket policies and very general reductions in amounts of coverages are recommended as remedies. Mr. Betterley, who is a Worcester insurance consultant, claims that the changes suggested by him would result in an initial saving of \$7,500 and provide broader coverage.

The report suggests creation of a three man board to administer all municipal insurance and arrange and coordinate an insurance program.

Apparent failure to check lists of property under the present schedules has resulted in improper classification, causing unnecessarily high rates and occasional lack of coverage where needed, the report states. Errors and omissions have occurred due to lack of centralized buying and control; purchase by persons not trained in insurance buying; too many policies, lack of complete checking of contracts, expira-

tions, amounts, rates and premiums, and failure to attach endorsements to policies.

It is recommended that a \$500,000 reserve fund for self-insurance be created to cover schools, fire stations, branch libraries and city hall. It is also suggested that fire and theft coverage on 200 city owned motor vehicles be dropped, the city assuming the risk. In some cases increased coverage is recommended on buildings.

Seek to Aid Rural Agents, Meet Cut-Rate Competition

HARRISBURG, PA.—At a meeting here the executive committee of the Pennsylvania Association of Insurance Agents discussed ways and means of aiding rural agents in combating the present strong wave of reciprocal and mutual competition, particularly for automobile business, and of having the 50-50 plate glass policy thrown out of the state.

The agents contend that the latter policy actually is nothing more than a rebate for large plate glass risks; that it has been outlawed in other states. A committee was appointed to see Commissioner Hunt in an effort to have him prohibit its use in Pennsylvania.

Regarding reciprocal competition, it was brought out that the best argument agents could possibly use was the recent decision of the Dauphin county court permitting reciprocals and mutuals to assess policyholders a year's premium. It also was pointed out that the assessment was for each year the policy had been held and that a policy of 15 years standing could be assessed 15 years' premiums.

Choice of an insurance commissioner also was discussed. While the agents have no preference as to individuals, they are interested in the type of man appointed. They feel that he should be one trained in the technical side of insurance and with a knowledge of the business and its problems.

Developments in Field Discussed

BUFFALO, N. Y.—Recent developments in the insurance field were discussed by John J. Chavanne, Jr., manager engineering department, and H. G. Johnson, manager casualty department, Eliel & Loeb, Chicago general agency, at a dinner meeting of the National Association of Cost Accountants.

Hartford Institute Meets

HARTFORD—Edwin C. Burkle of the special hazards department of the Automobile, demonstrated common fire hazards by exploding and igniting various materials of heat light, and power before the fire class of the Insurance Institute of Hartford. John C. McGurkin of Phoenix Fire, vice-president of the institute, presided.

Louis E. Day, Phoenix marine superintendent, spoke to the inland marine section on "Transportation Floaters," covering storage and consignment risks.

F. B. Merrells, assistant manager of the casualty claim department of the Travelers, will speak to the casualty students on miscellaneous provisions of compensation laws and claim adjustments.

Seymour Out, Agency Reorganized

BUFFALO, N. Y.—F. E. Seymour, Jr., turned in his license to the insurance department at Albany following his resignation as president and treasurer of F. E. Seymour, Inc. His license was suspended for six months by the state department following his testimony that he received favors from the late Mayor Zimmerman in connection with bonding deals on the city's \$15,000,000 sewer project.

E. J. Schenck was elected president

THE PEOPLE COUNT

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MICHIGAN FIRE & MARINE INSURANCE COMPANY . . . DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY . . . PITTSFIELD, MASS.

and treasurer of the agency; W. A. Lansill, vice-president and secretary; W. K. Ferrick, vice-president; S. W. Rochford and Marie A. Brandl, assistant secretaries. Mr. Schenck said Mr. Seymour had disposed of all his holdings in the business.

Turton Heads N. J. Square Club

NEWARK — At the annual meeting of the Insurance Square Club of New Jersey Albert Turton, field man for the Empire State, was elected president.

Vermont Mutual's New Officers

Guy W. Bailey, president of the University of Vermont, has been elected a vice-president of the Union Mutual Fire of Montpelier, Vt., to succeed the late F. L. Blanchard. Alexander Hall, recently made secretary was elected treasurer, succeeding M. W. Harris, the new president. J. P. Adams and H. F. Leslie were elected auditors. New directors are Frank E. Howe, Bennington editor, and Olin Gay of Cavendish.

Entertains Polish Agents

BUFFALO — Frank X. Chmiel was host to 30 Polish insurance agents of Buffalo at a dinner here. Speakers were: Joseph Chmiel, oldest Polish agent, still active at 78, after a career of more than 50 years; W. A. Waters, Philadelphia, assistant secretary, Pacific National Fire; A. P. Newton, Firemen's group, Newark, and J. W. Glowacki, Erie, Pa., representing the Security.

N. Y. Legislature Is Recast

ALBANY — The Republicans will control both the senate and assembly in New York state in 1939. The assembly insurance committee will probably remain with about the same Republican membership except that members will hold office for two years, the members of the lower house having been elected for a two year term at the 1938 election.

In the senate, which has been Democratic since 1933, the turnover to Republican will add many new faces to the insurance committee. The ranking Republican member of the senate insurance committee for the past two years has been Hampton of Utica, who is the logical chairman for the committee.

The senate committee consisted of seven Democrats and six Republicans. John T. McCall, insurance broker of New York City, is the ranking Democratic member.

Southwestern Notes

Stonn & Co. of San Antonio has taken on the general agency of Sussex Fire.

The Richard Gill Company of San Antonio, has opened an office in San Angelo, Tex., with D. T. Corder as manager.

F. C. Burnett, president of Burnett & Son agency, Russellville, Ark., has been elected president of the Russellville chamber of commerce.

H. E. Catto has become a member of the Catto Insurance Agency, San Antonio, Tex., and will be associated with his brother, Jack Catto as Catto & Catto.

J. R. Sassman, Jr., has become a member of the Allen & Co. agency, Austin, Tex., and will be associated with Amos Allen.

Much Business Is Transacted

(CONTINUED FROM PAGE 19)

H. Jennings, Jr., Rockford, was continued as president and W. Herbert Stewart, Chicago, the immediate past president, remains as chairman of the board. Mr. Jennings gave a good account of himself during his first year as president and his administration proved so popular that at no time was there any question regarding his reelection. Mr. Stewart, who in 1937 was awarded the Woodworth memorial trophy by the National Association of Insurance Agents, emblematic of having rendered the most outstanding service to insurance during the year, has long been a stalwart figure in both state and national associations. For some time he has carried the double burden of his state association duties and the important position of chairman of the National association's surety committee and his efforts in both phases of endeavor have been outstanding.

Debate on Mutual Issue

The resolution which is expected eventually to make the Illinois association 100 percent stock company in its representation was adopted only after prolonged debate at the closing session. It was unfortunate that many members had departed when it came up for consideration. Every one present was heartily in favor of the object of the resolution, but considerable difference of opinion arose over how this could or should be accomplished. As originally presented by W. M. Sheldon, W. A. Alexander & Co., Chicago, chairman of the resolutions committee, it provided that no members representing nonstock carriers should be accepted and that after Aug. 31, 1939, membership would be restricted to agents representing only capital stock insurance companies and insurance carriers committed to the principle of profit and enterprise. Objection was made that a resolution was not a proper instrument for putting this into effect and that a change in the constitution or bylaws, or both, would be necessary. Loren Whitehead, Rockford, while maintaining his sympathy with the objective, spoke against the particular form of action. Allan I. Wolff, Chicago, while admitting the technical defects in the resolution, urged its passage as an expression of the Illinois association's principles. After a motion to table the resolution had failed, Alvin S. Keys, Springfield, past president and a member of the resolutions committee, moved to amend the resolution to make it provide that the officers and directors should be instructed to prepare suitable amendments to the constitution and bylaws and to submit them at the mid-year meeting. The amended resolution passed with only two dissenting votes.

Few Members Affected

Both Mr. Sheldon and President Jennings emphasized that a recent survey revealed that 94 percent of the members of the Illinois association represent stock carriers exclusively, so it is not expected that the important members will be affected. A more serious problem, which attracted considerable attention, is the status of a few prominent companies originally organized as mutuals, but which now operate on an agency basis and are regarded as stock companies for all practical purposes. No solution was offered and it seems certain that this problem will require much attention before the program can be put into effect completely.

No official action was taken on Mr. Palmer's speech, which was entirely unexpected. Undoubtedly the Illinois association will keep a close watch on all developments. Should he attempt to carry out his program this winter, acquisition cost will probably occupy a prominent position at the mid-year meeting.

In addition to the anti-mutual resolution and one thanking the Peoria Insurance

Agents Association for its efforts toward the convention, the only other resolution adopted called for joint effort on the part of the casualty companies similar to the Business Development Office of the fire companies. Similar sentiments have been expressed by organized agents at virtually every convention this season.

Prior to the formal opening of the convention, a rural agents breakfast conference and a local board group meeting were held Wednesday morning. About 50 people attended each session.

Forshay on Resettlement Rates

M. I. Hall, Belvidere, presided at the rural agents conference. R. W. Forshay, Anita, Ia., member of the national executive committee and chairman of the rural agents committee, was the featured speaker. He urged agents to take advantage of the insurance opportunities offered by the Rural Electrification Administration and to use the service offered by the National association. New instructions will be issued soon and are expected to facilitate handling insurance. Mr. Forshay denounced the 60 cent rate of the National Mutual Association on Resettlement Administration projects as unsound and declared that stock companies cannot be expected to meet it. None of the companies in this pool has written much farm business, he continued, and the farm mutuals are feeling the competition as keenly as the stock companies. Mr. Forshay praised the new farm fire policy, declaring it has produced much new business.

W. J. Benz, Chicago, farm special agent America Fore group, related several instances of good and bad agency service in connection with farm business. He urged agents to solicit aggressively, to seek every form of insurance, to look to their present policyholders for more business and to obtain and use complete information on every farm carrier.

Handling of public business received

much attention at the local board conference. J. J. Beattie, Rockford, who presided, stressed the importance of public business in holding the board together. The Rockford Board handles all business on which the premium is paid out of public funds. Each year a dividend is paid to members from these commissions. The Peoria Board uses these commissions to pay state and national dues.

All boards represented are now on a 100 percent stock representation basis. The Peoria Board is also limited to full time agents representing only tariff companies.

Caspar Brown, Springfield, urged all boards to go on a coextensive basis. F. H. Hawk, Peoria, strongly recommended cooperative advertising. He stated that running the names of member agents in the advertisement leads assured to wonder and inquire why their agents are not members. D. J. Harrigan, St. Paul F. & M., state Business Development chairman, reviewed the program for local boards.

Murray Heads Mutual Group

H. M. Murray, Jr., of Raleigh was elected president of the North Carolina Association of Mutual Insurance Agents at the convention in Winston-Salem. H. G. Latimer, Jr., Wilmington, is first vice-president; P. P. Phillips, Durham, second vice-president, and C. C. Fox, Statesville, secretary.

John Naghten & Co. Open House

The John Naghten & Co., agency of Chicago, is holding open house for company men Saturday. This function is part of the activity surrounding the celebration by the agency of its 75th anniversary.

Peter Garrigan, 75, until his retirement several years ago a local agent at Carney, Mich., died at a Menominee, Mich., hospital.

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You will be helped to sell if you become an agent for this company.

SINCE 1859

FOUTABLE

Fire & Marine Insurance Company
PROVIDENCE, R.I.

Cash Capital, \$1,000,000.00
Surplus to Policyholders, \$5,414,071.36

Program and Survey Forum on Constructive Selling

(CONTINUED FROM PAGE 37)

Agent's time is his potential income. Budget your time. Delegate smaller details to office help. Get rid of unnecessary companies and field men.

Provide yourself if necessary with remote room for one hour daily and no interruptions unless necessary.

Personal assistance needed.

Choose several field men who are specialists on fire lines, fire rates, marine lines.

Let them provide technical knowledge to supplement your working knowledge.

Kind of Material Needed.

Material needed.

Study carefully "Complete Policyholder Protection" VIII.

Look over similar material offered by various companies.

Choose material that appeals to you.

General suggestions.

Keep surveys simple and concise as to finished form.

Present and discuss surveys personally.

Have definite date for such discussion.

Review present insurance for possible improvement.

Review all other available insurance coverages.

Review present insurance cost.

Keep definite approach in analyzing needs.

Essential Coverages

Essential coverages.

Involve only protection against serious loss.

Do not involve loss frequency.

Do not involve loss probability.

Desirable coverages.

Involve losses which may occur with some degree of frequency.

Do not involve any probability of serious loss.

Available coverages.

Involve all losses of minor proportion due to hazards considered remote.

Keep perspective.

Case of recommending fire doors and overlooking sprinklers.

Fireproof rates do not contemplate destruction of building.

Mortgage Bankers Are Made Commission Conscious

Formation of Paramount Fire of New York by a group of mortgage bankers is causing mortgage bankers throughout the country to become commission conscious and is causing companies here and there to discard the rules and make juicy offers and deals with desirable mortgage banker-agents, according to reports that are current.

The business controlled by the mortgage banker-agent is very desirable. It has a very low loss ratio. The group of mortgage bankers that is promoting Paramount Fire may not sell stock to all of the mortgage banker-agents who are solicited to buy, but they are at least getting a lot of such agents excited to the notion that they should get a much larger cut in the insurance that they write.

At the same time some of the companies which have a large business from mortgage bankers have been getting themselves into a rather desperate state of mind, due to the Paramount Fire activities. They have whipped themselves into the idea that there is a big emergency, that they will save their business at any cost and that there is no time for talking about rules and regulations.

Something of a commission war seems to have been started even before Paramount Fire has put a dollar's worth of business on its books. There is a report, for instance, of an important mortgage banker whose account was gained the other day. He is to get 40 percent commission and two-thirds of the profit after an expense factor of 20 percent

G. F. Michelbacher Warns of Danger

(CONTINUED FROM PAGE 25)

surprise that the two sets of figures do not jibe. Which set is correct?

"The likelihood is that both sets of figures are correct. The answer is this: the agent's premiums are compiled on a calendar year basis. He records on his books every premium transaction as it occurs from Jan. 1, 1937, until he closes his books on Dec. 31, 1937. To obtain premiums comparable with those contained in the carrier's policy year exhibit he would have to reclassify all of these transactions according to the effective dates of the policies on which they arose. If he did this, he might discover that substantial audit premiums on 1936 policies, entered on his records during calendar year 1937, account for the fact that his books show written premiums of \$50,000 for 1937, while the agency experience exhibit shows written premiums of only \$35,000 for policy year 1937. In the agency experience the audit premiums on 1936 policies are included in the 1936 policy year account.

"With this point cleared up, the agent proceeds to examine the losses in the carrier's policy year exhibit. He has a record of loss payments and he knows that an important automobile public liability claim was disposed of during 1937 by a payment of \$2,000. He is mystified because the experience exhibit shows incurred automobile public liability losses for 1937 of only \$500. Has he discovered another error?

Discrepancies Explained

"The answer is 'no' because the claim which was finally settled in 1937 for \$2,000 arose on a policy which became effective in 1936. It will, therefore, appear in the 1936 policy year account in the agency experience exhibit although it was settled in 1937. If the carrier has maintained a reserve of exactly \$2,000 against the claim, the latest compilation of the 1936 policy year account shows the transfer of the loss from the 'outstanding' to the 'paid' column without a change in the incurred losses. If the reserve has been \$1,500, the 1936 account now shows an increase of \$2,000 in paid losses, a reduction of \$1,500 in outstanding losses and an increase of \$500 in incurred losses. If the reserve has been \$2,500 the paid losses for 1936 are increased by \$2,000, the outstanding losses are reduced by \$2,500 and the incurred losses, therefore, are reduced by \$500.

"This point is clarified, and the agent begins to comprehend the strange statistical exhibit which has been placed at his disposal. He accepts the written premium and loss figures as correct and undertakes to calculate some loss ratios. To do this he must establish earned premiums for the several policy years. Here he runs into another snag, particularly when he examines the experience for the latest policy year.

"He is accustomed to the calendar year formula for calculating earned premiums:

"Earned premiums for calendar year 1937	equal
"Unearned premium reserve Dec. 31, 1936	plus
"Written premiums for calendar year 1937	minus
"Unearned premium reserve Dec. 31, 1937.	

"In this formula there is a 'carryover' of the unearned premium reserve from the preceding year. In the policy year exhibit nothing of the sort appears to have been done. Why? Simply because the policy year record for 1937 begins with transactions on policies effective on Jan. 1, 1937, and consequently cannot possibly include any items ante-dating 1937. By the same token, no losses are

has been applied against his business in addition to the 40 percent commission.

carried over either so that a loss ratio based upon the estimated earned premiums of the 1937 policy year and the incurred losses of that policy year is confined to and properly reflects the character of the business which was placed on the books during 1937. . . .

"Always make certain whether the statistical data under consideration were compiled by the policy year or the calendar year method of accounting. Never, under any circumstances, attempt a comparison of two sets of data unless both are prepared by the same method of accounting."

Takes Up Loss Ratios

Taking up loss ratios, Mr. Michelbacher said it is his hope that the use of the ratio of paid losses to written premiums will some day disappear from the casualty business, adding that "if this happy day should ever arrive, a prolific source of confusion and error will have been removed." He cited a number of cases to show how the use of this ratio could be extremely misleading. He expressed the belief that actuaries would agree that the closest approximation to the truth is obtained by comparing an incurred loss figure with earned premiums. Of comparisons of loss ratios of different carriers, Mr. Michelbacher said:

"Before we leave the subject of loss ratios, another common error should be mentioned. It arises out of attempts to compare loss ratios for carriers whose business is not uniformly distributed by lines of coverage. Let us assume that the permissible loss ratio (excluding claim expenses) for the bonding lines is 45 percent, whereas the corresponding permissible loss ratio for workmen's compensation insurance is 62 percent. One carrier writes business exclusively in the bonding field; another specializes in workmen's compensation insurance. It is obvious that a loss ratio of 50 percent would produce an underwriting loss for the first carrier, whereas a loss ratio as high as 60 percent would produce an underwriting profit for the second carrier. Would a comparison of loss ratios for the two carriers have any evidential value whatever?

"This is a simple example, but it illustrates the point exactly. Each line of business has its own permissible loss ratio and failure to give proper weight to this fact may vitiate any comparison of aggregate loss ratios for multiple-line carriers."

Lays Down Rule

In the interpretation of experience for underwriting and rate making purposes, Mr. Michelbacher said the error which is most commonly made by policyholders in discussions of rates is to place too much value upon a risk experience which, upon analysis, is found not to include a complete distribution of all types of losses. After citing examples to show the dangers of judging from superficial data, he laid down the following rule:

"Before attempting to interpret the indications of an experience exhibit, establish the degree of dependability of the data. Where actuarial formulae are not available for measuring the credibility of statistical information, a simple rule is this: never accept an experience indication as definitely reliable unless an examination discloses that the data are completely representative of losses of all types which may reasonably be expected to occur. Any deficiency discovered in the process of analysis must be supplied by personal judgment or from another statistical source before the experience can be accepted as a basis for forming an opinion."

In the analysis of the financial strength or the underwriting results of a company the amateur statistical analyst is also likely to be tripped up. In making such an analysis it is essential that the analyst be able to determine whether

the aggregate loss reserve is adequate or excessive, Mr. Michelbacher pointed out. If the management of a company fails to establish sufficient reserves, its underwriting results are actually less favorable than they are represented to be and the "policyholders' surplus" constituting the cushion behind its obligations to policyholders is something less than the figure published in its financial statement.

A widely used method, he said, is to select a group of carriers whose loss reserves are assumed to be unqualifiedly adequate and obtain a ratio by relating the aggregate loss reserves of this group to the aggregate written premiums for the latest calendar year. With this is compared the corresponding ratio for the carrier whose loss reserve is being analyzed. If the ratio for the carrier in question is equal to or greater than the group ratio, the loss reserve of the company is assumed to be adequate, otherwise probably inadequate. Mr. Michelbacher said that there are obvious reasons why such a comparison is worse than useless.

Limiting Comparisons

He said that in making analyses between insurance carriers of underwriting experience or financial statements the use of written premium figures should be limited to comparisons of (a) aggregate premium volume and (b) distribution of premium volume by lines of coverage. Any comparison of two carriers' ratios of loss reserves to written premiums (or earned premiums, either) is of no value whatever unless four factors are uniform in the two organizations and since this fourfold coincidence rarely exists, Mr. Michelbacher's conclusion was that such comparisons should be scrupulously avoided.

The four factors are premium distribution by lines of coverage; territorial distribution of premium volume by lines of coverage; age of carrier; and trend of premium income.

These warnings do not mean that there is no method by which the loss reserves of a carrier may be tested for adequacy, Mr. Michelbacher said, but he emphasized the fact that the procedure is a laborious one, the material for the method being found in schedules G, O, and P of the annual statement.

Measuring Premium Reserve

The corresponding rule-of-thumb method commonly used for testing the adequacy of the premium reserve of an individual carrier produces similarly erroneous conclusions, Mr. Michelbacher said. After citing cases to show how conditions peculiar to an individual carrier may entirely nullify the accuracy of such unsound conclusions, he laid down the following rule:

"The proper method of checking the adequacy of loss reserves is to study the reserve for each line separately and to develop at successive intervals the incurred cost of the claims of a group of policies or of a certain period of time. As time passes and the facts with regard to these claims become more and more definitely established, it is possible to make an increasingly accurate appraisal of their ultimate value. A comparison of the latest estimate of incurred losses with estimates which were established at previous intervals will show the extent to which outstanding claims were properly appraised in their earlier stages."

AVIATION RATES

Conditions in airplane design and operation are changing so rapidly that it is impossible to keep up with developments and hence the time has not arrived for placing aircraft insurance on an actuarial basis, Miss Woodward said in her paper on aviation insurance. She confined her paper to a review of the aviation rate making picture as it exists today with particular emphasis on the main casualty coverages.

Miss Woodward pointed out that aviation rate making has made progress during the past six years and it is to

be hoped that future developments will eventually permit the application of actuarial science to this line of insurance.

PAPER OF J. W. AINLEY

In his paper on contractual liability coverage, J. W. Ainley, Travelers, said that while this form of insurance may not involve a high frequency of losses, the severity of loss may nevertheless be substantial. Also, since it is sometimes rather difficult to differentiate between losses which may properly be considered as direct liability losses of the indemnitor and the assumed liability losses, claims which are thought to be contractual liability claims should be carefully scrutinized in order that the experience may not be distorted by a misassignment of losses.

Mr. Ainley said that many "hold harmless" agreements vary widely according to their terms and in many instances are quite complex and give rise to conflicting opinions as to the extent of the assumed liability, which in many cases may be quite beyond reason. He said that the indemnitor very often does not realize the full extent of the obligations which he is assuming. Citing an example of a particularly dangerous type of agreement, Mr. Ainley said it is unfortunate that the condition exists whereby obligations assumed go beyond the scope of reason and a principal can require those doing business with him to assume obligations which are righteously and legally those of the principal.

Mr. Perryman presented a paper on "Tables Adapted for Machine Computation." These tables are designed to permit the use of calculating machines in computation which would otherwise require the use of 20-place logarithm tables, which are not ordinarily available.

The informal discussion was devoted to surety rate making methods adopted by surety experts compared with the principle followed by casualty actuaries. President M. W. Lewis of the Towner Rating Bureau opened the discussion.

The Society announces that the following associates have passed all examinations and have been admitted: J. W. Carleton, San Francisco, Fireman's Fund Indemnity; Elsie Kardonsky, New York City, Compensation Insurance Rating Board, and I. H. Miller, Springfield, Mass., actuary Monarch Life. G. C. Kelly, general manager Pennsylvania Compensation Rating & Inspection Bureau of Philadelphia, has been reinstated as a fellow. The following have been enrolled as associates: G. B. Elliott, Harrisburg, Pa., actuary State Workmen's Insurance Fund, and Julius Lieblein, New York City, New York State Insurance Fund.

Whisky Again Is Big Insurance Topic

(CONTINUED FROM PAGE 17)

loss amounted to about 30,000 barrels. The age varied from two to six years. The average value per barrel is said to be about \$50.

There was much specific insurance

carried on the warehouses. This insurance will pay out before the general cover contract is called upon. The October report of values indicates that in one of the warehouses the values at the time of the loss were less than the amount of the specific insurance, which means that in respect of that particular warehouse there will be no loss at all falling upon the reporting cover.

Some Views Given as to Tomorrow

(CONTINUED FROM PAGE 19)

project which he has said has done a most constructive piece of work. One of the hopeful signs of the morning, he said, is the new life blood flowing through the National Board. The organization, he said, has reached the conclusion that the story of capital stock fire insurance must be told effectively.

In referring to the National Association of Insurance Agents membership he predicted that it will not take another 10 years to show a gain of 25 percent.

Mr. Forshay said that the profit motive is surely the instinct of self preservation and whenever that is destroyed the country will lose the progressive spirit that has built it up through the years. Continuing, he said, "It must continue to build this country in the future in maintaining a forward course."

Busy Sessions Mark Local Agents Rally

(CONTINUED FROM PAGE 19)

Peoria attorney, who spoke on "Our Great Achievement."

At the morning session, committee reports were the first business. National Councillor P. B. Hosmer of Chicago reported on the St. Paul meeting of the National association, J. J. Beaty, Rockford, gave the report of the local board committee; D. F. Giberson, Alton, on the membership committee; H. E. Reeves, Chicago, on the casualty and surety committee, and C. J. Montgomery, Rock Island, on the automobile committee.

H. K. Schaffler, New York, assistant manager National Board, spoke on the need for combined efforts of companies and agents in carrying the message of organized stock fire insurance to the public. Citing the work of fire companies in the New England storm and also the combined work of the insurance companies and the telephone companies as an example of what cooperative effort can do, Mr. Schaffler urged agents to emphasize throughout their sales approach the three key words of the organized stock fire insurance business: "Prevention," "Standard Protection" and "Agency Service." For some time the National Board has had available a booklet on windstorm damage, but apparently the people of New England knew nothing about it. The five-year annual windstorm loss ratio in New England was \$300,000, but in one day \$300,000,000 damage was done, 1,000 times the average loss.

Should Use Modern Tools

New England people, he declared, know all about windstorm damage now. In other territories agents are faced with a similar duty of carrying this knowledge to the public.

Mr. Schaffler urged the agents to use modern tools to let the world know of their message. Talks before chambers of commerce, Kiwanis, Rotary and similar clubs, real estate boards and particularly women's clubs were suggested. He also urged them to take radio time wherever possible, to use direct mail campaigns and to make use of the National Board advertising. The National Board is doing all it can, but it cannot

put the agent's name on its advertisements. However, the agent can do this.

Henry Olson, Chicago, vice-president First Bancredit Corporation, headed the sales forum with a discussion of premium financing. He reminded his audience that the real competition is not from other agents or from mutuals or reciprocals, but from modern merchants who fight for the dollars of the public and who sell items which people want, such as refrigerators, radios, automobiles, etc., on the installment plan. People don't want insurance for itself, so the agent's selling job is all the more difficult. There is all the more reason why he should use convenient methods of payment. Further, assured now are beginning to hear of premium financing and cases have occurred where an agent lost cast with his client because another agent suggested financing premiums.

Actual Case Is Presented

Mr. Olson quoted an actual case of a solicitor who raised \$400 in renewal premiums on 15 expirations to \$1,200 by quoting term premiums instead of annual sums, and suggesting financing. Premium finance plans are as acceptable to large assured as to small, he continued, citing a case of a corporation which paid \$65,000 in fire insurance premiums and which financed these premiums at less cost than borrowing money on its stock of merchandise. Predicting that 60 to 70 percent of assured will be buying on a financed basis in a few years, Mr. Olson reminded the agents that payments can be arranged easily to suit different assured. Thus, bowling alleys take in most of their income in winter, ice cream people in summer, etc., and all these factors can be taken into mind in arranging insurance payments.

D. F. Giberson, Alton, led a symposium on survey and program selling, which included talks on handling casualty lines by C. F. Daniels, Chicago, special agent Eagle Star, and B. H.

Title of Film Comports With Movie Holdup Loss

The manager of a moving picture theater in the south, insured by the Fidelity & Casualty, was held up and robbed of \$1,350 as he was about to place the money in the night depository of a local bank. Ironically, the receipts were those of the current film, "You Can't Take It With You."

Jochen, New York, assistant U. S. manager Eagle Star.

The final talk was by H. E. Reeves, Chicago, on the future of long haul trucking insurance. He pointed out that the fear throughout the rating bureaus and most casualty companies that the long haul business could never be profitable, is based on the chaotic condition of long haul trucking a number of years ago. Unquestionably, the business was then unsound. Now, however, it has gotten out of the adolescent stage and, with the aid of the Interstate Commerce Commission regulations, it is on as sound a basis as any business. If the stock companies still refuse to handle it, Mr. Reeves maintained that mutuals and reciprocals will and will undoubtedly take a good many collateral lines with them.

Mr. Reeves suggested that a group of large companies set aside a fund to experiment with the long haul trucking business in a certain locality. He expressed confidence that it would prove to be profitable.

Following Mr. Reeves' talk, the convention turned to the passage of constitutional amendments, adoption of resolutions and election of officers.

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NILLES, OEHLERT & NILLES

504 Black Bldg.
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and
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Phone Main 1928
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Harry Campbell
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Harry Campbell, Jr.

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INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

PENNSYLVANIA

THORP, BOSTWICK, REED & ARMSTRONG
Grant Building
Pittsburgh, Pa.
Seaboard Surety Co., American Surety Co. (Pittsburgh office), U. S. Fidelity & Guaranty (some cases), others on request.
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Trial of all cases.
Equipped for investigations and adjustments all over South Carolina.

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Chandler Lloyd
Scott Clark
Investigations—Trial in all courts.

WILSON, OGDEN & REICHMAN
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Dallas, Texas
General Insurance Practice, Federal and State Courts.
Clients on request.

BROMBERG, LEFTWICH, CARRINGTON & GOWAN
Magnolia Building
Dallas, Tex.
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KENNEMER & ARMSTRONG
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Representing: Maryland Casualty; American Home Life Insurance Co.; American Home; Fire Assurance Co.; Pearl Assurance; Eureka Security Fire and Marine; Monarch Fire. Others on request.

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William A. Hanger
Mack McMahon
W. D. Smith
Samuel B. Cantey, Jr.
Alfred McKnight
Glenn A. Johnson
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Fort Worth, Tex.
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Henry T. McGown
Geo. Q. McGown, Jr.
Berl. E. Godfrey
Harry L. Logan, Jr.
John M. Scott, Jr.

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Niels Esperson Bldg.
Houston, Tex.

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MARINE

I. M. U. A. Broadens Fur Floater Rules

Rules relating to the personal fur floater were broadened this week by the Inland Marine Underwriters Association, permitting writing this contract on three year term basis at 2½ annual premiums, or \$2.50 per \$100. This promulgation also corrects the inconsistency apparent in the recent rules change in regard to jewelry and furs scheduled in the personal property floater, under which the furs were left subject to fur floater rules. The net effect was to impose the combination jewelry-furs rate of \$2.50 per \$100 on furs if the assured wanted to schedule the furs in a three-year term personal property floater, and not to make fur changes comparable to those on jewelry, which was modernized.

Under the new personal fur floater rules, minimum premium is \$12.50, or 2½ times the annual minimum premium of \$5, with no credit for storage warranty.

Furs may be written in annual policies at a rate of 85 cents per \$100, with no credit for storage warranty, or annual policies attaching prior to Dec. 1, 1938, may be written at a 75-cent rate with storage warranty, or the storage warranty can be put on such policies and a return premium allowed thereon. The storage warranty is not to be used on policies attaching on and after Dec. 1.

Furs may be scheduled on the personal property floater on the three-year term basis and under the \$2.50 per \$100 rate as above, or may be scheduled on an annual personal property floater policy at an 85-cent rate.

No personal fur floaters which have

been attached may be canceled pro rata to take advantage of the changes or for the purpose of scheduling the furs on a term personal property floater, but may be canceled short rate. The furs may be scheduled on the personal property floater and the assured given credit for existing insurance for the unexpired term of the personal fur floater.

Death of E. J. Berg

NEW YORK—E. J. Berg, 40, head of the lake underwriting department of Appleton & Cox, marine and inland marine underwriters, died at his home in this city.

Sidelights on Illinois Agents' Peoria Meeting

(CONTINUED FROM PAGE 23)

present from Chicago were C. D. Bartholomew, special agent, T. O. Malmstone, production manager, and G. M. Boynton, special agent.

The western department of the Springfield F. & M. was represented by M. E. Peterson, assistant secretary, assisted by Homer Caldwell, state agent, and Frederick Ticknor, special agent, and J. P. Swigart, special agent.

E. L. Stephenson, resident vice-president, Chicago, maintained popular headquarters for the United States Casualty, assisted by H. G. Eason, assistant manager, and J. F. Kelly, special agent, both from Chicago.

Headquarters for the North America group were opened by V. L. Montgomery, associate manager of the fire company, and W. A. Osgood, Chicago manager Indemnity of North America, and A. H. Benjamin, agency superintendent of the casualty company. Also present were G. A. Feindt, Chicago, state agent; L. N. Davis, Chicago, state agent, and H. C. Harm, Decatur, state agent of the fire companies, and S. D. Pearson, Decatur, state agent of the casualty company.

There were 384 registered, an encouraging turnout.

The headquarters of the America Fore group were in charge of E. A. Henne, Chicago, vice-president; J. H. Macfarlane, secretary; A. G. Gabrielsen, assistant Cook county manager, and J. E. Guy, automobile manager.

L. O. Schriver, Peoria general agent Aetna Life and past president National Association of Life Underwriters, was a guest at the convention.

Board Chairman W. H. Stewart, who headed the committee on constitutional amendments, had to leave after the banquet Wednesday night for a meeting of the National association's surety committee in New York. In his absence, President Jennings read the amendments.

Wallace Rodgers, Chicago, assistant manager Western Underwriters Association, was on hand throughout the convention. He has been very prominent in Business Development work and was called upon to speak at the rural agents' conference.

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Announcement

The National Underwriter Company has purchased the handbook or state insurance directory business of the "Underwriters Report" of San Francisco covering California, Oregon, Washington, Montana, Idaho, Utah and Nevada.

The "Underwriters Report" was the original publisher of handbooks in these states, having issued its first books 28 years ago. In making the purchase, The National Underwriter Company is acquiring all rights, title, interest and good will in the handbooks for these states. The "Underwriters Report" is disposing of this branch of its business so that its staff may concentrate on the publication of the paper itself, and the insurance telephone directories for San Francisco, Los Angeles and other Pacific Coast cities, which it originated.

The acquisition of these Pacific Coast and mountain states handbooks will considerably broaden the handbook publishing scope of The National Underwriter Company, which will, in the future, be publishing handbooks for 31 states, and the province of Ontario. The National Underwriter's handbook department is located in Cincinnati in charge of Vice-president C. C. Crocker. Mrs. Nell Boner is chief compiler. This is one of the most important publishing activities of The National Underwriter. Its handbooks, published for most of the important states, are the standard works of their kind. The books to be published for the states just acquired will be uniform with those now being issued, and will contain the same complete information.

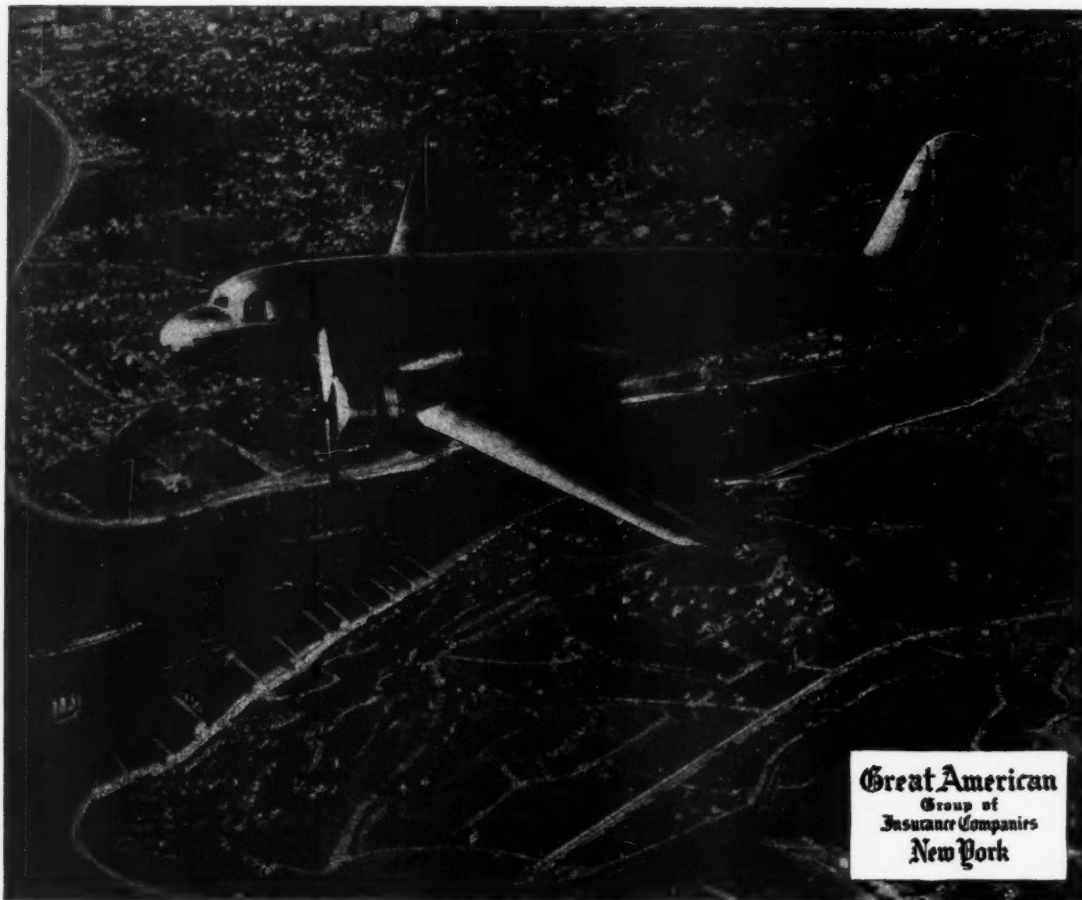
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